



Housing Assistance Council  
**HAC News**

**May is Asian American and Pacific Islander Heritage Month.**

Among the month’s observances are several planned by federal agencies.

**Administration requests rescission of \$40 million in rural Rental Assistance.**

A May 8 Administration proposal to withdraw funds previously appropriated for several federal programs includes \$40 million from USDA’s Section 521 Rental Assistance program, just over \$41 million from HUD’s Public Housing Capital Fund, almost \$23 million from the CDFI Fund’s Bank Enterprise Award program, and \$151 million from the CDFI Fund’s Capital Magnet Fund. The request explains that Section 521 RA had a \$40 million balance on October 1, 2017, the first day of FY18. That \$40 million was not intended to be spent during FY17, however; the FY17 appropriations bill specifically designated it for FY18. A disproportionately high number of RA contracts must be renewed in October and November every year, when limited amounts of new funding are available under continuing resolutions adopted by Congress before final appropriations are established. In October and November alone, USDA used \$261.8 million to renew contracts for almost 52,000 low-income tenants. Congress must adopt, amend, or reject the proposal within 45 days. The full House may vote on its bill, H.R. 3, as soon as next week without first sending it to the Appropriations Committee. The Senate is expected to act after the House.

**House subcommittee passes FY19 USDA spending bill.**

On May 9, the House Agriculture Appropriations Subcommittee approved a draft appropriations bill for fiscal year 2019, which begins on October 1, 2018. The bill resembles the FY18 appropriation more than the Administration’s budget request. It would continue initiatives such as incentives to nonprofits and PHAs to acquire and preserve rental properties; the Section 502 direct loan packaging program; and the requirement to allocate 10% of funds from each program to persistent poverty counties. A House markup for HUD FY19 appropriations has not yet been scheduled, and no draft HUD bill has been released. The Senate Appropriations Committee is expected to begin its markups later this month.

<b>USDA Rural Dev. Prog. (dollars in millions)</b>	<b><u>FY16 Approp.</u></b>	<b><u>FY17 Approp.</u></b>	<b><u>FY18 Approp.</u></b>	<b><u>FY19 Admin. Budget Proposal</u></b>	<b><u>FY19 House Bill</u></b>
502 Single Fam. Direct Self-Help setaside <sup>a</sup>	\$900 5	\$1,000 5	\$1,100 5	0 0	\$1,000 5
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 VLI Repair Loans	26.3	26.3	28	0	28
504 VLI Repair Grants	28.7	28.7	30	0	b
515 Rental Hsg. Direct Lns.	28.4	35	40	0	40
514 Farm Labor Hsg. Lns.	23.9	23.9	23	0	c
516 Farm Labor Hsg. Grts.	8.3	8.3	8.4	0	c
521 Rental Assistance	1,390	1,405	1,345	1,331.4	1,331.4
523 Self-Help TA	27.5	30	30	0	30
533 Hsg. Prsrv. Grants	3.5	5	10	0	b
538 Rental Hsg. Guar.	150	230	230	250	230
Rental Prsrv. Demo. (MPR)	22	22	22	0	25
542 Rural Hsg. Vouchers	15	19.4	25	20	28
Rural Cmnty. Dev’t Init.	4	4	4	0	4

- a. Figures shown represent budget authority, not program levels.
- b. The bill provides a total of \$45 million to be divided between Section 504 grants and Section 533 grants.
- c. The bill provides total budget authority of \$16.9 million for the Section 514 and 516 programs.

### **HUD sued over fair housing regulation change.**

On May 8 a group of advocates sued HUD over its suspension of the regulation requiring state and local governments to produce Assessments of Fair Housing as part of fulfilling the Fair Housing Act's requirement to "affirmatively further fair housing." National Fair Housing Alliance v. Carson seeks a court order requiring HUD to implement the rule immediately.

### **Deadline extended for comments on Affordable Housing Program.**

Comments on the proposed new rule for the Federal Home Loan Bank's AHP are now due June 12 rather than May 14. (See HAC News, 3/16/18.) For more information, contact Ted Wartell, FHFA, 202-649-3157.

### **Temporary authorization issued to help use Section 502 direct funds.**

Through the end of FY18, when a homebuyer purchases a property that has a Section 502 direct loan, USDA will process the new mortgage as an initial loan rather than as an assumption of the old mortgage. This approach, which USDA has employed in the past, will help use all available Section 502 direct funds. For more information, contact a USDA RD office.

### **New HAC report looks at mortgage finance in Indian Country.**

Exploring the Challenges and Opportunities for Mortgage Finance in Indian Country examines mortgage lending to American Indian and Alaska Natives, particularly on reservations. Barriers to lending include geographic isolation, economic distress, mistrust, nonstandard land ownership, and an extra layer of federal oversight. As a result, on reservations there are low mortgage origination rates, high denial rates, and a high proportion of loans made for manufactured homes. The report recommends that, along with better targeted policies and more complete data, increasing the capacity and awareness of all involved parties could help resolve the challenges.

### **50 years of fair housing reviewed.**

The National Fair Housing Alliance's 2018 Fair Housing Trends Report: Making Every Neighborhood a Place of Opportunity reports on fair housing progress since the Fair Housing Act's adoption in 1968 and on recent attacks on fair housing. The paper concludes that the biggest obstacle to fair housing rights is the federal government's failure to enforce the law vigorously, and offers recommendations for change.

### **HMDA data show banks reduced lending to low- and moderate-income homeowners.**

Home Mortgage Disclosure Act data from 2017 are now available, and the Consumer Financial Protection Bureau released a "first look" report based on the new figures. Nonbank mortgage lenders accounted for 56.1% of HMDA-reported home purchase loans in 2017, up from 53.3% in 2016. In 2017, 6.4% of home purchase loans went to African-American buyers and 8.8% to Hispanics. Low- or moderate-income borrowers received 26.3% of all home purchase loans.

### **Farmworker hiring increased 2008-2016, USDA reports.**

A report by USDA's Economic Research Service shows that agriculture employment fell from 2000 to 2008, then rebounded, with hiring of contract workers increasing faster than direct hiring. Nonsupervisory workers earned an average of \$12.47 per hour in 2017. Applications and approvals of H-2A temporary foreign workers quadrupled from 2005 to 2017. For those not in the H-2A program, the American Community Survey and the National Agricultural Workers Survey provide different figures for race/ethnicity, citizenship, and education levels.

### **NEA offers creative placemaking grants.**

The National Endowment for the Arts Our Town program supports projects that integrate arts, culture, and design activities into efforts that strengthen communities by advancing local economic, physical, and/or social outcomes. Our Town matches local funds with grants from \$25,000 to \$200,000. Applications are due August 9.

**White House renews faith-based initiatives.**

An Executive Order issued May 3 changes the existing office to the White House Faith and Opportunity Initiative and directs the initiative to make recommendations on policies and programs on a variety of matters including solutions to poverty.

**CFPB amends timing for “know before you owe” mortgage disclosure rule.**

The change will allow lenders to pass higher closing costs to consumers if the costs increase after a closing disclosure is provided to the borrower. For more information, contact Shaakira Gold-Ramirez, CFPB, 202-435-7700 or submit a question online.

**NEED CAPITAL FOR YOUR AFFORDABLE HOUSING PROJECT?**

HAC’s loan funds provide low interest rate loans to support single- and multifamily affordable housing projects for low-income rural residents throughout the U.S. and territories. Capital is available for all types of affordable and mixed-income housing projects, including preservation, farmworker, senior, and veteran housing. HAC loan funds can be used for pre-development, site acquisition, site development, and construction/rehabilitation. Contact HAC’s loan fund staff at hacloanfund@ruralhome.org, 202-842-8600.

*Please note: HAC is not able to offer loans to individuals or families. Borrowers must be nonprofit or for-profit organizations or government entities (including tribes).*