



Housing Assistance Council  
**HAC News**

**Tax bills will move to conference committee.** The Senate passed its tax bill early in the morning on December 2. Now the Senate and House must name members of a conference committee, which will try to determine how to resolve the differences between their bills and develop a measure that both houses can pass.

**Another continuing resolution expected for federal funding.** The CR currently keeping the federal government operating will expire on December 8, and the House is considering a second CR to last through December 22. At that point, a third CR may be needed to carry spending into January, and a full-year CR may also be a possibility. FY18 appropriations bills have not been completed, and there is no agreement on lifting the spending caps imposed by the Budget Control Act. Both the House and the Senate are scheduled to adjourn for the year on December 15. Additional disaster funding is likely to be considered separately, not incorporated into a CR.

**USDA RD hires Chief Innovation Officer.** Gina Sheets began work November 27 as head of the new Rural Development Innovation Center. (See HAC News, 9/21/17.) Her background is in economic development and she served as Indiana Director of Agriculture. RD's press release explains that the Innovation Center is "a team within Rural Development working to streamline, modernize and strengthen the delivery of Rural Development tools effectively and efficiently. The Innovation Center will focus on improving customer service to rural communities and increasing rural prosperity through strategic partnerships, capacity-building, data analytics and evaluation, and regulatory reform. The Innovation Center will also inform policy decisions and develop creative solutions to rural economic development."

**Rural lending increases, denial rates and high-cost loans remain higher for minorities.** A new HAC research note reports that rural mortgage lending continued to increase in 2016, with 55% of rural lending involving first lien home purchases, a dramatic change from 2012 and 2013 when two-thirds of rural originations involved refinance. USDA's Section 502 guarantee program accounted for 9-12% of rural purchase loans in the last three years. Mortgage denial rates for rural African-American and Native American applicants were 37% and 34%, higher than the rates for the same populations in suburbs and cities.

**Changes in mortgage interest deduction would have little rural impact.** HAC research determined that the mortgage interest deduction is less often used by rural residents than by metropolitan area dwellers. In addition, in 2016 rural residents received only 2.7% of all mortgage loans of \$500,000 or more. (The House tax bill would eliminate the mortgage interest deduction for mortgages over \$500,000; see HAC News, 11/6/17.) In rural places, some of these larger mortgages were clustered in high amenity areas.

**Violence Against Women Act information offered for managers and residents of assisted rentals.** HUD regulations, Q&As, and other resources for multifamily properties are collected online. Guidance related to USDA rental properties is in AN 4814.

**Two-thirds of Puerto Ricans requesting disaster aid live in neighborhoods with poverty over 40%.** A National Low Income Housing Coalition analysis of FEMA data shows that 70% of Puerto Ricans registering for FEMA assistance after Hurricanes Irma and Maria are homeowners and 30% are renters, with a large majority of both living in very high-poverty areas; 21% of owner registrants and 46% of renter registrants have incomes under \$10,000. Puerto Rico's median household income in 2016 was \$20,078.

**Population fell in small, remote nonmetro counties, 2010-2015, and grew in larger ones.** The Daily Yonder found almost no nonmetro population growth in the first half of this decade, with numbers falling in almost two-thirds of nonmetro counties, but increasing slightly in counties containing cities of 10,000 or more. Total nonmetro growth in 2010-2015 was 0.3%, while the U.S. population grew 3.1%. Foreign-born residents comprised much of the nonmetro growth and are now about 4% of nonmetro residents, compared to 18.2% in the largest U.S. cities.

**Report suggests LIHTC contributes to public health.** The Bipartisan Policy Center argues that since affordable housing contributes to positive health outcomes, especially when supportive services are offered, it is "reasonable to believe that the LIHTC contributes positively to the nation's public health."

## 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](mailto: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).*

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