

USDA RURAL HOUSING SERVICE

Program Obligation Reports Through February FY 2015

Summary

The Housing Assistance Council (HAC) presents this month's report on Fiscal Year 2015 USDA Rural Housing program obligations.

As of the end of February, USDA obligated 55,738 loans, loan guarantees, and grants totaling about \$7.5 billion. This is \$805 million or 411 more obligations than the same time last year.

USDA also obligated 172,528 units of tenant assistance representing \$765 million through the Section 521 Rental Assistance and the Section 542 Rural Housing Voucher programs. This is about \$26.4 million or 3,498 more units than this time last year.

Single Family Housing Program Highlights

The Section 502 Guaranteed loan program, the largest of the Single Family Housing programs, obligated \$7.2 billion (52,154) in loan guarantees. Obligations have averaged about \$1.1 billion (8,000 loans) for the last several months.

For the Section 502 Direct program, there have been about \$177 million (1,496 loans). Over the last few months obligations have averaged about \$48 million (380 loans) per month. Very low-income loan obligations as a percentage of the total dollars obligated for the program decreased in February to 33.7 percent of the total dollars obligated. When viewed as a percentage of the number of loans obligated, very low-income loans comprise 37.6 percent of the total number of loans obligated. One reason for this is that the average loan amount for a low-income borrower has been higher than the average loan for a very low-income borrower. In addition, while the average low-income loan amount has been gradually increasing each month, the average very low-income loan amount has been decreasing. In an effort to stimulate loan obligations for the program, USDA provided its field offices a temporary authorization to obligate loans subject to appraisals and also relaxed certain criteria related to refinancing non-agency existing debt.

The Section 504 Repair and Rehabilitation programs obligated 674 loans representing \$3.7 million and 1,369 grants representing \$8.1 million. Section 504 activity increased significantly over previous months in February.

Multi-Family Housing Programs

The Section 538 loan guarantee program increased to 23 obligations totaling \$127.7 million, nearly \$100 million more than this time last year.

Section 521 Rental Assistance obligations total 107,679 units representing \$758 million, about \$25 million dollars (3,087 units) more than last year at the same time. Section 542 vouchers totaled 1,846 units representing \$6.5 million, which is \$1.3 million or 411 more obligations than this time last year.