

USDA RURAL HOUSING SERVICE

Program Obligation Reports Through January FY 2015

Summary

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

January represents the first full month of USDA operations under the FY 2015 appropriations bill signed into law on December 16, 2014. Most rural housing programs received funding levels similar to FY 2014.

As of the end of January, USDA obligated 46,512 loans, loan guarantees, and grants totaling about \$6.2 billion. This is \$641 million or 3,927 more obligations than the same time last year.

USDA also obligated 104,164 units of tenant assistance through the Section 521 Rental Assistance or Section 542 Rural Housing Voucher programs, about \$421 million or 1,652 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 \$6.0 billion (44,101) in loan guarantees. Most of the obligations occurred in October and November when monthly obligation rates averaged about \$1.9 billion (nearly 14,000 loans per month). Activity in December and January slowed somewhat to about \$1.1 billion (8,000 loans) per month.

For the Section 502 Direct program, there have been about \$131 million (1,116 loans). The trend in the Section 502 Direct program has been an increasing level of loan obligations each month. Beginning with a slow start in October, November through January logged marked increases in loan activity. Very low-income loan obligations as a percentage of the total dollars obligated for the program decreased in January to 35.2 percent of the total dollars obligated. When viewed as a percentage of the number of loans obligated, very low-income loans total 38.6 percent of the 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.

The Section 504 Repair and Rehabilitation programs obligated 425 loans representing \$2.3 million and 848 grants representing \$5.1 million. Section 504 activity has slowed from the levels in October and November (\$630 thousand/100 loans per month and nearly \$1.5 million/245 grants per month) compared to December and January (\$520 thousand/100 loans and about \$1 million/180 grants.)

* The Rural Housing Service (RHS) monthly obligation reports are produced by the Housing Assistance Council (HAC) 1025 Vermont Ave., NW, Suite 606, Washington, DC 20005. The monthly figures derive from HAC tabulations of USDA –RHS 205c, d, and f report data. For questions or comments about the obligation reports, please contact Michael Feinberg at 202-842-8600 or michael@ruralhome.org.

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Multi-Family Housing Programs

The Section 538 loan guarantee program increased to 16 obligations totaling \$14.6 million, two more loans but \$8.6 million fewer dollars obligated than this time last year.

Section 521 Rental Assistance obligations total 103,369 units representing \$466 million, about \$23 million more dollars than last year at the same time. Nearly 45 percent of the year to date obligations were done in October. Since that time obligations levels have varied from month to month.

Section 542 vouchers totaled 795 obligations representing \$2.6 million, 411 fewer obligations than this time last year. Most of the obligations (\$2.58 million/780 units) took place in November.