

2013 Explanatory Notes  
Rural Housing Service

Contents

	<u>Page</u>
Purpose Statement.....	27-1
Rural Community Facilities Program Account:	
Appropriations Language.....	27-5
Lead Off Tabular Statement .....	27-6
Project Statement.....	27-8
Justifications.....	27-11
Geographic Breakdown of Obligations.....	27-14
Classification by Objects.....	27-25
Rural Housing Insurance Fund Program Account:	
Appropriations Language.....	27-26
Lead Off Tabular Statement .....	27-28
Project Statement.....	27-30
Justifications.....	27-34
Geographic Breakdown of Obligations.....	27-36
Classification by Objects.....	27-48
Farm Labor Program Account:	
Lead Off Tabular Statement .....	27-49
Project Statement.....	27-50
Geographic Breakdown of Obligations.....	27-51
Classification by Objects.....	27-52
Multifamily Housing Revitalization Program Account:	
Appropriations Language.....	27-53
Lead Off Tabular Statement .....	27-54
Project Statement.....	27-56
Justifications.....	27-59
Proposed Legislation .....	27-60
Geographic Breakdown of Obligations.....	27-61
Classification by Objects.....	27-65
Rental Assistance Program:	
Appropriations Language.....	27-66
Lead Off Tabular Statement .....	27-67
Project Statement.....	27-69
Justifications.....	27-70
Proposed Legislation .....	27-71
Geographic Breakdown of Obligations.....	27-73
Classification by Objects.....	27-74

Rural Housing Assistance Grants:	
Appropriations Language.....	27-75
Lead Off Tabular Statement .....	27-76
Project Statement.....	27-78
Justifications.....	27-81
Geographic Breakdown of Obligations.....	27-82
Classification by Objects.....	27-86
Mutual and Self-Help Housing Grants:	
Appropriations Language.....	27-87
Lead Off Tabular Statement .....	27-88
Project Statement.....	27-90
Justifications.....	27-91
Geographic Breakdown of Obligations.....	27-92
Classification by Objects.....	27-93
Status of Programs.....	27-94
Summary of Budget and Performance:	
Statement of Department Goals and Objectives.....	27-100
Key Performance Outcomes and Measures.....	27-111
Full Cost by Strategic Goal.....	27-114

## RURAL DEVELOPMENT HOUSING PROGRAMS

### Purpose Statement

Rural Development Housing Programs provide affordable housing to rural communities. The agency goal is to improve the quality of life in Rural America by: 1) providing decent, safe, and affordable housing; and 2) developing community infrastructure. Rural Development delivers housing programs authorized by the Housing Act of 1949, as amended. Community facilities programs are authorized by the Consolidated Farm and Rural Development Act, as amended.

Section 502 Guaranteed Single Family Housing. Through USDA's guaranteed rural housing loan program, low- and moderate-income people can qualify for mortgages even without a down payment. Loans through this program may be for up to 100 percent of appraised value or for the acquisition cost, whichever is less, and the guarantee fee may be added to increase the loan amount. Mortgages are 30-year fixed rate at market interest rates. Homebuyers apply with participating lenders. Guaranteed loans may also be made to refinance either existing guaranteed housing loans or Section 502 direct housing loans. Families served through the guarantee program in 2011 had an average annual income of \$48,000.

On October 28, 2011, a proposed rule was published in the Federal Register to implement the annual fee, with a comment period ending on December 27, 2011. The purpose of the annual fee is to make the program subsidy neutral when used in conjunction with the upfront loan origination fee. For 2012, the upfront fee on new purchase loans will be two percent with an annual fee of 0.3 percent. The upfront fee for refinanced loan guarantees will be one and one-half percent with a 0.3 percent annual fee.

Section 502 Direct Single Family Housing. The direct single family housing program provides loans to low- and very low-income families to purchase, build, or rehabilitate modest homes in rural areas. Financing is 100 percent with payments subsidized to between 22 percent and 26 percent of the applicant's income. The subsidy, which is recaptured when the loan is paid off or refinanced, allows this program to reach a credit-worthy sector of the population whose income is too low to obtain credit elsewhere, even with a government guarantee. The families served through the direct program in 2011 had an average annual income of \$27,400.

Section 504 Housing Repair and Rehabilitation Loans. Loans are available to very low-income applicants who live in rural areas and who own and occupy their dwelling, which is in need of repairs. Loans of up to \$20,000 may be made to repair, modernize or to remove health and safety hazards. Loans are amortized at 1 percent for up to 20 years.

Section 504 Housing Repair Grants. Grants are available to very low-income elderly families who own and occupy a rural home and cannot afford a loan. Grants of up to \$7,500 are available to improve accessibility or to remove health and safety hazards. Grants must be repaid to the government if the property is sold within three years.

Section 523 Mutual Self-Help Grants. Grants are available to rural public and private not-for-profit organizations, local governments and Tribal organizations to provide technical assistance to low- and very-low income families to build their homes through the mutual self-help method. Grant terms are for 2 years and funds may be used, among other things, to pay salaries, office rent and expenses associated with operating the organization.

Section 515 Rural Rental Housing Program. The rural rental housing program provides funds for the construction and rehabilitation of affordable rental housing for rural families and elderly residents who have very low-, low- and moderate-incomes.

Section 514/516 Farm Labor Housing Loan and Grant Program. The farm labor housing loan and grant program provides decent, safe, and sanitary housing for farm workers by providing loans to farmers for small, on-farm housing or loans and grants for off-farm multi-family developments.

Section 521 Rental Assistance Program. The rental assistance program provides assistance to eligible tenants in section 515 and section 514/516 assisted housing so that they pay no more than 30 percent of their incomes for rent.

Section 542 Rural Housing Voucher Program. The rural housing voucher program, authorized under Section 542 of the Housing Act of 1949, is designed to provide tenant protections in properties that prepay their mortgages after September 30, 2005. These vouchers are portable and will enable tenants to continue to access affordable housing without benefit of the traditional rental assistance program.

Community Facilities Direct and Guaranteed Loans and Grants. The community programs loans and grants provide financing to units of local government, nonprofit corporations, or Federally-recognized Indian tribes for the development of essential community facilities in rural areas. Eligible purposes include health care facilities; fire, rescue, and public safety buildings, vehicles, and equipment; educational and cultural facilities; town halls, community centers, and libraries; and adult and child day care facilities. There are no set minimum or maximum loan amounts with the community facilities direct and guaranteed loan programs; however, limits may exist depending on the availability of funds and/or the project's feasibility. The loan repayment term is limited to the useful life of the facility, State statute or 40 years.

Rural Community Development Initiative Grants. The purpose of this initiative is to provide a program of technical assistance to recipients to develop or increase their capacity to undertake projects in the areas of housing, community facilities, and community and economic development in rural areas.

Tribal College Grants. The Tribal College Grant program provides grants to tribal colleges and universities (land grant status under the 1994 Native American Education Act) to help defray the cost to develop or improve specific tribal colleges and universities.

Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs representing Rural Development: Housing and Community Facilities, Utilities, Business and Cooperative Development. Rural Development headquarters is located in Washington, D.C. As of September 30, 2011, there were 5,568 permanent full-time employees, including 1,576 in the headquarters and 3,992 in the field offices.

OIG Reports – Completed

#04099-211-TE	02/08/2011	Final – Request Audit of Oklahoma RRH Management Company (Green Companies Development Group, Inc.) Audit includes the Texas and Oklahoma State offices.
#04099-339-AT	08/29/2011	Final – Rural Housing Service's Subsidy Payment Accuracy in Multi-Family Housing Program (see also 04004-003-AT)
#04601-013-CH	12/29/2011	Final – Controls Over Multi-Family Housing Funds Provided for Hurricane Relief Efforts (see also 04601-0015-CH)
#04601-014-CH	08/17/2011	Final – Field Work Improper Payments – Monitoring the Progress of Corrective Actions for High Risk Programs in Rural Housing Service
#04601-015-CH	08/12/2011	Final – Controls Over Single-Family Housing Funds Provided for Hurricane Relief Efforts (see also: 04601-013-CH and 04601-019-CH)
#04601-017-CH	07/27/2011	Final – Controls Over Lender Activities in the Single Family Housing (SFH) Guaranteed Loan Program (see also: CH-0420-0514)
#04601-019-CH	11/09/2011	Final Audit – Controls Over Rural Housing Service Disaster Assistance Payments (Follow-up Audit) (see also: 04601-013-CH and 04601-015-CH)
#04703-001-KC	02/16/2011	Final – ARRA (Recovery Act) Single Family Housing Direct Loans Stimulus Controls
#85901-001-DA	09/15/2011	Field Work – Analysis of Rural Development Databases
#04601-004-KC	07/19/2010	Final Report – Rural Rental Housing Program Insurance
#04004-003-AT	07/27/2010	Final-Rural Housing Service, Rural Rental Housing Program, Tenant Income Verification, Gainesville, Florida

#04099-143-CH-IL	06/04/2010	Final – Little Egypt Housing Development Corporation (see also: KC-0432-0009)
#04703-001-CH	04/23/2010	Final – ARRA (Recovery Act) Controls Over Eligibility Determinations for Single Family Housing Guaranteed Loan Stimulus Funds
#04703-001-HY	06/29/2010	Final – ARRA (Recovery Act) Audit of Rural Housing Service Community Facilities Programs – Direct Loans and Grants
#04801-003-KC	12/27/2010	Final Report – RRH Program – Bosley Management, Inc., Sheridan, Wyoming “Presidential Initiative (See KC-0423-0033)

OIG Reports – Open

#04099-212-TE		Final Report – Multi-Family Housing Loans in Texas – Gary Kersch (Report Date: 08/25/2009)
#04601-009-SF		Final Report – Lender’s Making and Servicing of a Guaranteed Rural Rental Housing Loan in Mississippi (Blues Alley Estates – Allied Mortgage) (Report Date: 09/28/2007)
#04601-018-CH		Survey – Rural Rental Housing Program Project Costs and Inspection Procedures (Cross Reference: 04601-020-CH) (Report Date: 08/28/2008). -- Audit underway. Staff working with and providing information, as needed.
#04601-020-CH		Final – Rural Rental Housing Program – Midwest Apartment and Management Group, Inc. (Cross Reference: 04601-018-CH) (Report Date: 05/19/2011) – Audit underway. Staff is working with and providing information, as needed.
#04703-002-CH		Final – ARRA – Controls Over Eligibility Determinations for Single Family Housing Guaranteed Loan Recovery Act Funds (Phase 2) (Report Date: 9/30/2011) -- Single Family Housing is working with the IG to implement changes.
#04703-002-HY		Survey – Audit of Rural Housing Service Community Facilities Direct Loan and Grant Program Recovery Act Activities – Phase II (Report Date: 03/30/1010) – No material weaknesses or violations with statute or regulations were identified. As of December 2011, OIG was in the process of finalizing their report.
#04703-002-KC		Final – Single Family Housing Direct Loans Recovery Act Controls – Phase II (Report Date: 9/24/2011) -- Single Family Housing is working with the IG to implement changes.
#04703-003-HY		Survey – Loss Claims Related to Single Family Housing Loans Guaranteed With Recovery Act Funds (Report Date: 11/16/2010) -- Single Family Housing is working with the IG to implement changes.
#04703-003-KC		Survey – ARRA Single-Family Housing Direct Loans Recovery Act Controls – Phase II Compliance Reviews (Report Date: 07/27/2010) -- Single Family Housing is working with the IG to implement changes.
#04801-006-KC		Final Report – Rural Rental Housing Program Insurance Expenses Phase I (Report Date: 12/18/2000) – Multi-Family Housing in process of closing.
#50024-001-FM-11		IPERA Compliance Review (Report Date: 11/21/2011)
#50024-002-FM-11		Reducing Improper Payments – High Dollar Report Review (Report Date: 11/21/2011)
#50601-014-AT		Final Report – Effectiveness and Enforcement of Suspension and Debarment Regulations in the U.S. Department of

## Agriculture (Report Date: 08/16/2010)

GAO Reports – Completed

GAO-12-79	11/02/2011	Final Report – Green Building: Federal Initiatives for the Nonfederal Sector Could Benefit from More Interagency Collaboration
GAO-12-49	11/14/2011	Final Report – Ginnie Mae: Risk Management and Cost Modeling Require Continuing Attention
GAO-07-88	09/01/2011	Final Report: Disaster Assistance: Better Planning Needed for Housing Victims of Catastrophic Disasters (RHS)
GAO-11-653	07/13/2011	Residential Appraisals: Opportunities to Enhance Oversight of an Evolving Industry
GAO-09-174	04/22/2009	Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds
GAO-08-665	06/19/2008	Final Report – Defense Infrastructure: High Level Leadership Needed to Help Communities Address Challenges Caused by DOD-Related Growth

GAO Reports – In Progress/Report Date

#205518		Farm Labor Housing Loan and Grant Program – Staff is providing information on unliquidated obligations, as needed.
#250577		NOA Federal Homeless Programs (Report Date: 06/06/2011)
#250578		Foreclosure Mitigation (Report Date: 06/14/2011)
#250608		Duplication of Housing Programs (Report Date: 06/17/2011)
#250631		Rural Housing Service Improper Rental Assistance Payments (Report Date: 08/25/2011)
#361298		Federal Funding for Non-federally Recognized Indian Tribes (Rural Housing Service) (Report Date: 08/08/2011)
#361329		Federal Solar Initiatives (Departmental Audit – Rural Development has the lead) (Report Date: 10/13/2011)
#542187		Coordination of Programs for Transportation – Disadvantaged (Report Date: 06/09/2011)
GAO-11-329		Final Report – Rural Housing Service: Opportunities Exist to Strengthen Farm Labor Housing Program Management and Oversight (Report Date: 07/13/2011)

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Community Facilities Program Account (including transfer of balances)

- 1 For gross obligations for the principal amount of direct [and guaranteed] loans as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development
- 2 Act, [~~\$1,300,000,000 for direct loans and \$105,708,000 for guaranteed loans~~]\$2,000,000,000.
- 3 [For the cost of guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, \$5,000,000, to remain available until expended.]

- For the cost of grants for rural community facilities programs as authorized by section 306 and described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, [~~\$24,291,000~~]\$25,000,000, to remain available until expended: *Provided*, That [~~\$3,621,000~~]\$8,000,000 of the amount appropriated under this heading shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related
- 4 activities, in an amount not less than funds provided: [*Provided further*, That \$5,938,000 of the amount appropriated under this heading shall be to provide grants for facilities in rural communities with extreme unemployment and severe economic depression (Public Law 106-387), with up to 5 percent for administration and capacity building in the State rural development offices:] *Provided further*, That [~~\$3,369,000~~]\$4,000,000 of the amount appropriated under this heading shall be available for community facilities grants to tribal colleges, as authorized by section 306(a)(19) of
  - 5 such Act[: *Provided further*, That of the amount appropriated under this heading, the amount equal to the amount of Rural Community Facilities Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act]: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading.

The first change removes the words “and guaranteed” because no funding is proposed for the community facility guaranteed loan program.

The second change modifies the language for community facility loan programs, removing the guaranteed language as funding is not proposed, and removing the wording for direct loans to eliminate redundancy.

The third change removes the language for loan subsidy for the community facility guaranteed loan program as funding is not proposed.

The fourth change removes the language for economic impact initiative grants which can be funded under the regular rural community facility grant program.

The fifth change reflects the removal of the set-aside for the rural economic area partnership zones as the authorization for this program expired in 2012. These areas can be funded from the regular appropriation.

## RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT  
 (on basis of supportable loan level, appropriated subsidy and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2012.....	\$1,405,708,245	\$5,000,000	\$24,291,000
Budget Estimate, 2013.....	2,000,000,000	0	25,000,000
Change from 2012 Appropriations.....	<u>594,291,755</u>	<u>-5,000,000</u>	<u>709,000</u>

## RURAL HOUSING SERVICE

## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Summary of Increases and Decreases  
(Dollars in thousands)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Change</u>	<u>2012</u> <u>Change</u>	<u>2013</u> <u>Change</u>	<u>2013</u> <u>Estimate</u>
Discretionary Appropriations:					
Rural Community Facilities Direct loans.....	\$3,864	-\$8	-\$3,856	\$0	\$0
Rural Community Facilities Guaranteed loans....	6,626	-13	-1,613	-5,000 (7)	0
Rural Community Facilities Grants.....	20,373	-5,403	-3,607	+1,637 (3)	13,000
Rural Community Dev. Initiative Grants.....	6,256	-1,266	-1,369	+4,379 (4)	8,000
Economic Impact Initiative Grants.....	13,902	-6,916	-1,048	-5,938 (5)	0
Tribal College Grants.....	3,972	-8	-595	+631 (6)	4,000
Total, Appropriation or Change.....	<u>54,993</u>	<u>-13,614</u>	<u>-12,088</u>	<u>-4,291</u>	<u>25,000</u>

**PROJECT STATEMENT**

(On basis of supportable loan levels and appropriated subsidies and grants)

(Dollars In thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:										
Direct loans c/.....	\$630,848	\$8,264	\$490,337	\$6,521	\$1,300,000	\$0	\$700,000 (1)	\$0	\$2,000,000	\$0
Direct loans - ARRA d/.....	1,098,519	14,391	0	0	0	0	0	0	0	0
Direct loans - 2007 disaster supplemental e/.....	1,400	18	0	0	0	0	0	0	0	0
Direct loans - 2008 disaster supplemental f/.....	48,762	639	0	0	0	0	0	0	0	0
Guaranteed loans.....	264,888	8,503	196,359	7,756	105,708	5,000	-105,708 (2)	-5,000 (7)	0	0
Guaranteed loans - 2008 disaster supp f/.....	27,300	876	0	0	0	0	0	0	0	0
Grants.....	26,550	26,550	16,225	16,225	11,363	11,363	1,637 (3)	1,637	13,000	13,000
Grants - ARRA d/.....	70,441	70,441	0	0	0	0	0	0	0	0
Grants - 2007 disaster supplemental e/.....	3,505	3,505	0	0	0	0	0	0	0	0
Grants - 2008 disaster supplemental f/.....	11,458	11,458	0	0	0	0	0	0	0	0
Rural community dev. initiative grants.....	6,512	6,512	6,452	6,452	3,621	3,621	4,379 (4)	4,379	8,000	8,000
Rural coop. home based health care demo.....	0	0	0	0	0	0	0	0	0	0
Hazardous weather early warning grants.....	110	110	34	34	0	0	0	0	0	0
Economic impact initiative grants.....	15,193	15,193	8,451	8,451	5,938	5,938	-5,938 (5)	-5,938	0	0
Tribal college grants.....	4,322	4,322	3,759	3,759	3,369	3,369	631 (6)	631	4,000	4,000
<b>Total Available or Estimate.....</b>	<b>2,209,808</b>	<b>170,782</b>	<b>721,617</b>	<b>49,198</b>	<b>1,429,999</b>	<b>29,291</b>	<b>595,001</b>	<b>-4,291</b>	<b>2,025,000</b>	<b>25,000</b>
Recovery of prior year obligations.....	-10,208	-10,208	-136,465	-6,309	0	0	0	0	0	0
Unobligated balance rescinded b/.....	0	0	11,994	11,994	0	0	0	0	0	0
Unobligated balance available, start of year.....	-2,322,789	-133,348	-260,066	-27,087	0	0	0	0	0	0
Unobligated balance available, end of year.....	665,862	27,087	151,187	13,583	0	0	0	0	0	0
Expired ARRA Appropriation d/.....	3,209	680	0	0	0	0	0	0	0	0
Rescission a/.....	0	0	978	83	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>545,882</b>	<b>54,993</b>	<b>489,245</b>	<b>41,462</b>	<b>1,429,999</b>	<b>29,291</b>	<b>595,001</b>	<b>-4,291</b>	<b>2,025,000</b>	<b>25,000</b>

NOTE: Amounts reflected above are budget projections of use of funds within Rural Community Facility Program. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(Dollars In thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:										
Direct loans <i>c/</i> .....	\$630,848	\$8,264	\$490,337	\$6,521	\$1,300,000	\$0	\$700,000	\$0	\$2,000,000	\$0
Direct loans - ARRA <i>d/</i> .....	1,098,519	14,391	0	0	0	0	0	0	0	0
Direct loans - 2007 disaster supplemental <i>e/</i> .....	1,400	18	0	0	0	0	0	0	0	0
Direct loans - 2008 disaster supplemental <i>f/</i> .....	48,762	639	0	0	0	0	0	0	0	0
Guaranteed loans.....	264,888	8,503	196,359	7,756	190,674	9,019	-175,168	-7,972	15,506	1,047
Guaranteed loans - 2008 disaster suppl <i>f/</i> .....	27,300	876	0	0	0	0	0	0	0	0
Grants.....	26,550	26,550	16,225	16,225	11,829	11,829	1,448	1,448	13,277	13,277
Grants - ARRA <i>d/</i> .....	70,441	70,441	0	0	0	0	0	0	0	0
Grants - 2007 disaster supplemental <i>e/</i> .....	3,505	3,505	0	0	0	0	0	0	0	0
Grants - 2008 disaster supplemental <i>f/</i> .....	11,458	11,458	0	0	0	0	0	0	0	0
Rural community dev. initiative grants.....	6,512	6,512	6,452	6,452	6,504	6,504	5,073	5,073	11,577	11,577
Rural coop. home based health care demo.....	0	0	0	0	0	0	0	0	0	0
Hazardous weather early warning grants.....	110	110	34	34	50	50	-11	-11	39	39
Economic impact initiative grants.....	15,193	15,193	8,451	8,451	8,396	8,396	-6,656	-6,656	1,740	1,740
Tribal college grants.....	4,322	4,322	3,759	3,759	3,705	3,705	496	496	4,201	4,201
<b>Total Available or Estimate.....</b>	<b>2,209,808</b>	<b>170,782</b>	<b>721,617</b>	<b>49,198</b>	<b>1,521,158</b>	<b>39,503</b>	<b>525,182</b>	<b>-7,622</b>	<b>2,046,340</b>	<b>31,881</b>
Recovery of prior year obligations.....	-10,208	-10,208	-136,465	-6,309	-23,112	-4,051	23,112	4,051	0	0
Unobligated balance rescinded <i>b/</i> .....	0	0	11,994	11,994	541	541	-541	-541	0	0
Unobligated balance available, start of year.....	-2,322,789	-133,348	-260,066	-27,087	-96,557	-13,583	75,217	6,702	-21,340	-6,881
Unobligated balance available, end of year.....	665,862	27,087	151,187	13,583	27,969	6,881	-27,969	-6,881	0	0
Expired ARRA Appropriation <i>d/</i> .....	3,209	680	0	0	0	0	0	0	0	0
Rescission <i>a/</i> .....	0	0	978	83	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>545,882</b>	<b>54,993</b>	<b>489,245</b>	<b>41,462</b>	<b>1,429,999</b>	<b>29,291</b>	<b>595,001</b>	<b>-4,291</b>	<b>2,025,000</b>	<b>25,000</b>

NOTE: Amounts reflected above are budget projections of use of funds within Rural Community Facility Program. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

## Project Statement Footnotes:

- a/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L.112-10.
- b/ Natural disaster unobligated available, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- c/ Negative subsidy rates of -3.03% and -2.08% were calculated for FY 2012 and FY 2013, respectively; therefore, corresponding budget authority is not required to support the loan levels.
- d/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.
- e/ Provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, signed May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007, and unobligated balances in the amount of \$12 million from the funds provided in P.L. 110-28 were transferred to Community Facilities grants in 2009.
- f/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329 in the amount of \$40 million.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) An increase of \$700,000,000 for the direct community facility loans (\$1,300,000 available in 2012).

The community facility direct loan program assists rural municipalities and non-profit organizations in financing the most essential community facilities to improve the quality of life for their residents. These facilities help achieve the Department's Strategic Goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. Direct loans are primarily targeted to health care; fire/rescue/and public safety facilities and equipment; and educational facilities. The performance of these loans coupled with the current economic assumptions projecting low interest rates has made the subsidy cost for this program negative. As a result, a \$2 billion loan level is requested at no additional budget authority cost. This level is expected to meet demand in 2013, will support regional economic development strategies, and be instrumental in carrying out the Regional Innovation Initiative.

Based on historical performance, it is estimated that \$2 billion in direct loan funding for 2013 will support 1,720 loans to develop or improve essential community infrastructure and facilities such as hospitals, schools, libraries, fire rescue and public safety, child and adult day care and public buildings.

- (2) A decrease of \$105,708,000 for the guaranteed community facilities loans (\$105,708,000 available in 2012).

Community facility loan guarantees originated as an inexpensive alternative to the equivalent direct loan program and to stimulate additional assistance to moderate income communities in rural areas. However, the defaults in the programs have been higher than initially projected, making it more expensive than the direct loan program. The guaranteed loan program serves the same organizations and purposes as the direct loan funding, the primary difference being that the guaranteed loans are made and serviced by a bank or other commercial lender and guaranteed by the Federal government. The subsidy rate for the guaranteed program is higher than the subsidy rate for direct loan program. The 2013 budget proposes no funding for guaranteed community facilities loans while increasing funding for direct loans by more than 50 percent. With the increase in the community facilities direct loan program, communities would still have access to funding for eligible facilities.

With the estimated \$15.5 million carryover in guaranteed program level in 2013, RD expects to invest in 6 to 7 community infrastructure projects such as rural community colleges, critical access hospitals, and health information technology.

- (3) An increase of \$1,637,000 in community facility grants (\$11,363,000 available in 2012).

To better address the Department's Strategic Goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving, the community facilities grants program provides funding for essential community facilities in rural communities with populations of up to 20,000 at a slightly increased level for 2013. Priority for grant funding is given to applicants in rural communities with populations of 5,000 or less. The increase of funds will be used to support the Regional Innovation Initiative. The funds requested for 2013 will allow RD to continue to meet the most pressing needs in our most rural and economically stressed communities.

With the estimated \$277,000 carryover in regular grant funds in 2013, RD expects, based on historical performance, to provide that 9 to 10 additional community facilities grant awards such as health information technology, rural library improvements, and equipment for school food service upgrades for school districts with 45 percent of students eligible for free or reduced price meals.

- (4) An increase of \$4,379,000 in the rural community development initiative grants (\$3,621,000 available in 2012).

The Rural Community Development Initiative (RCDI) program provides technical assistance and training funds to qualified intermediary organizations to develop their capacity to undertake housing, community facilities, and community and economic development projects in rural areas. RCDI is the technical assistance planning grant program within Rural Housing Service that supports USDA's Regional Innovation efforts. Regional economic development can bring together multiple units of government and nonprofit organizations, developing their capacities to collaborate to create needed jobs and economic hubs through increased development. These efforts will create sustainable rural economies in some of our nation's most underserved areas. Funding in the 2013 budget is increased to \$8.0 million for RCDI because it is the best program within RD to support regional economic development strategies.

By providing the additional funding to RCDI, RD will be able to serve many more communities. Since RCDI grant funds also require dollar for dollar matching funds, RD will be doubling the impact of the funding increase.

In addition to the 2013 funding, it is estimated that \$3,577,000 in rural community development grant funds will be available from carryovers. Based on historical performance, we anticipate this funding will allow Rural Development to award approximately 24 grants to intermediaries to provide technical assistance to recipients to develop their capacity to undertake projects related to housing, community and economic development.

- (5) A decrease of \$5,938,000 in the economic impact initiative grants (\$5,938,000 available in 2012).

The economic impact initiative grants provide assistance to rural communities with extreme unemployment and severe economic depression. The regular community facilities grant program can be used to fund these projects. Therefore, the budget does not propose funding for this program.

While RD is not requesting additional funding for the economic impact grants, it is estimated \$1,740,000 in funding will be available in 2013 from carryover. Based on historical performance, we anticipate this will equate to 60 additional community facilities grant awards such as health information technology, rural library improvements, and equipment for school food service upgrades for school districts with 45 percent of students eligible for free or reduced price meals.

- (6) An increase of \$631,000 in the tribal college grants (\$3,369,000 available in 2012).

The tribal college grants program provides assistance to the 33 tribal colleges that are 1994 land-grant institutions meeting the criteria of the Equity in Education Land-Grant Status Act of 1994. Tribal colleges have had difficulty competing for funds in the regular community facilities grant program, and Native American tribes have difficulty benefitting from loan programs due to collateralization issues. The 2013 funding for this program ensures that tribal colleges will benefit from the increases in budget authority and program level in the community facility program area.

It is estimated that \$201,000 in regular grant funds will be available in 2013 from carryover. Based on historical performance, we anticipate that 1 additional tribal college grant will be awarded to develop or improve tribal college facilities.

- (7) A decrease of \$5,000,000 in loan subsidy for rural community facility guaranteed loans (\$5,000,000 available in 2012).

Community facility loan guarantees originated as an inexpensive alternative to the equivalent direct loan program and to stimulate additional assistance to moderate income communities in rural areas. However, the defaults in the programs have been much higher than initially projected, making it more expensive than the direct loan program. The guaranteed loan program serves the same organizations and purposes as the direct loan funding, the primary difference being that the guaranteed loans are made and serviced by a bank or other

commercial lender and guaranteed by the Federal government. The subsidy rate for the guaranteed program is higher than the subsidy rate for direct loan program. With the increase in the community facilities direct loan program, communities would still have access to funding for eligible facilities. The subsidy rate for this program continues to rise. The change from 2012 to 2013 is primarily due to a significant drop in the borrower interest rate in 2013. The decrease in the borrower interest rate has mainly increased the default rate and has created the swing in the total subsidy cost.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Loan Program - Direct

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$2,742	\$9,518	--	--
Alaska	12,156	8,493	--	--
Arizona	19,741	4,447	--	--
Arkansas	5,449	7,565	--	--
California	35,997	4,255	--	--
Colorado	3,286	3,079	--	--
Connecticut	2,002	195	--	--
Delaware	5,066	3,774	--	--
Florida	25,631	1,161	--	--
Georgia	9,580	1,716	--	--
Hawaii	--	4,042	--	--
Idaho	662	1,991	--	--
Illinois	4,115	9,891	--	--
Indiana	5,191	47,174	--	--
Iowa	23,224	28,114	--	--
Kansas	2,676	7,448	--	--
Kentucky	18,766	10,726	--	--
Louisiana	5,671	5,336	--	--
Maine	3,423	3,350	--	--
Maryland	5,020	2,821	--	--
Massachusetts	3,899	5,730	--	--
Michigan	9,809	32,297	--	--
Minnesota	33,803	22,973	--	--
Mississippi	1,899	21,155	--	--
Missouri	8,774	10,905	--	--
Montana	5,128	902	--	--
Nebraska	424	9,009	--	--
Nevada	1,346	120	--	--
New Hampshire	7,285	1,346	--	--
New Jersey	3,671	2,291	--	--
New Mexico	1,989	5,052	--	--
New York	20,534	7,750	--	--
North Carolina	51,202	15,910	--	--
North Dakota	5,419	1,585	--	--
Ohio	9,762	9,485	--	--
Oklahoma	426	4,827	--	--
Oregon	1,727	2,898	--	--
Pennsylvania	69,300	15,025	--	--
Rhode Island	600	145	--	--
South Carolina	13,284	35,058	--	--
South Dakota	33,183	13,013	--	--
Tennessee	7,091	8,814	--	--
Texas	9,865	58,929	--	--
Utah	19,450	2,604	--	--
Vermont	2,376	2,395	--	--
Virginia	11,771	13,429	--	--
Washington	64,553	4,605	--	--
West Virginia	7,410	3,262	--	--
Wisconsin	5,833	5,740	--	--
Wyoming	1,819	2,064	--	--
Puerto Rico	1,820	5,925	--	--
W. Pacific Areas	25,000	--	--	--
Total Avail./Est.	<u>\$630,848</u>	<u>\$490,337</u>	<u>\$1,300,000</u> <sup>1/</sup>	<u>\$2,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Loan Program - Direct  
Recovery Act

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Alabama	\$1,394	--	--	--
Alaska	60,212	--	--	--
Arizona	11,550	--	--	--
Arkansas	14,290	--	--	--
California	23,285	--	--	--
Colorado	500	--	--	--
Connecticut	63,175	--	--	--
Delaware	131	--	--	--
Florida	5,403	--	--	--
Georgia	21,067	--	--	--
Hawaii	59,500	--	--	--
Illinois	781	--	--	--
Indiana	1,820	--	--	--
Iowa	22,695	--	--	--
Kansas	10,782	--	--	--
Kentucky	87,514	--	--	--
Louisiana	1,243	--	--	--
Maine	150	--	--	--
Massachusetts	15,950	--	--	--
Michigan	9,033	--	--	--
Minnesota	27,235	--	--	--
Mississippi	3,727	--	--	--
Missouri	88,214	--	--	--
Montana	769	--	--	--
Nebraska	24,539	--	--	--
Nevada	1,559	--	--	--
New Hampshire	118	--	--	--
New Jersey	656	--	--	--
New Mexico	4,721	--	--	--
New York	10,558	--	--	--
North Carolina	210,152	--	--	--
North Dakota	42,342	--	--	--
Ohio	5,323	--	--	--
Oklahoma	6,595	--	--	--
Pennsylvania	8,240	--	--	--
Rhode Island	11,925	--	--	--
South Carolina	44,382	--	--	--
South Dakota	16,599	--	--	--
Tennessee	43,202	--	--	--
Texas	30,309	--	--	--
Utah	12,050	--	--	--
Vermont	4,292	--	--	--
Virginia	69,541	--	--	--
Washington	122	--	--	--
Wisconsin	9,885	--	--	--
Wyoming	8,740	--	--	--
W. Pacific Areas	2,250	--	--	--
Total Avail./Est.	<u>\$1,098,519</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Loans  
2007 Tornadoes Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Kansas	\$1,400	--	--	--
Total Avail./Est.	<u>\$1,400</u>	<u>--</u>	<u>--</u>	<u>--</u>

Rural Community Facility Loan Program  
2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Indiana	\$2,786	--	--	--
Iowa	18,900	--	--	--
Kentucky	444	--	--	--
Louisiana	6,841	--	--	--
Michigan	614	--	--	--
Missouri	45	--	--	--
Nebraska	14,000	--	--	--
South Dakota	2,723	--	--	--
Texas	138	--	--	--
Washington	1,944	--	--	--
West Virginia	203	--	--	--
Wisconsin	125	--	--	--
Total Avail./Est.	<u>\$48,762</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Loan Program - Guaranteed

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	\$10,000	--	--	--
Arizona	19,915	\$5,745	--	--
Arkansas	1,000	3,000	--	--
California	1,170	1,828	--	--
Colorado	--	1,868	--	--
Connecticut	26,428	600	--	--
Delaware	500	--	--	--
Florida	2,700	5,800	--	--
Hawaii	--	12,001	--	--
Idaho	272	270	--	--
Illinois	4,210	7,135	--	--
Indiana	2,825	6,700	--	--
Iowa	3,041	3,150	--	--
Kansas	200	4,160	--	--
Kentucky	--	20,133	--	--
Louisiana	1,000	527	--	--
Maine	--	5,125	--	--
Maryland	2,500	--	--	--
Massachusetts	563	800	--	--
Michigan	2,500	21,997	--	--
Minnesota	14,370	18,168	--	--
Missouri	33,981	1,504	--	--
Montana	500	5,300	--	--
Nebraska	--	2,795	--	--
New Hampshire	893	1,530	--	--
New Jersey	3,000	--	--	--
New York	11,500	5,150	--	--
North Carolina	1,990	3,631	--	--
North Dakota	20,487	1,000	--	--
Ohio	3,339	6,562	--	--
Oklahoma	4,450	1,100	--	--
Pennsylvania	13,200	3,000	--	--
South Carolina	1,000	2,100	--	--
South Dakota	2,150	8,598	--	--
Tennessee	--	1,300	--	--
Texas	17,400	5,605	--	--
Utah	24,408	18,951	--	--
Vermont	3,300	881	--	--
Virginia	326	--	--	--
Washington	--	8,221	--	--
West Virginia	--	125	--	--
Wisconsin	3,627	--	--	--
Puerto Rico	1,144	--	--	--
W. Pacific Areas	25,000	--	--	--
Total Avail./Est.	<u>\$264,888</u>	<u>\$196,359</u>	<u>\$190,674</u> <sup>1/</sup>	<u>\$15,506</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 (Dollars in thousands)

Rural Community Facility Loan Program - Guaranteed  
 2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Iowa	\$2,400	--	--	--
Massachusetts	5,000	--	--	--
Missouri	14,000	--	--	--
Nebraska	2,900	--	--	--
Washington	3,000	--	--	--
Total Avail./Est.	<u>\$27,300</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$843	\$405	--	--
Alaska	363	158	--	--
Arizona	462	236	--	--
Arkansas	924	354	--	--
California	716	576	--	--
Colorado	667	235	--	--
Connecticut	123	92	--	--
Delaware	97	181	--	--
Florida	563	412	--	--
Georgia	660	485	--	--
Hawaii	449	102	--	--
Idaho	168	148	--	--
Illinois	451	304	--	--
Indiana	513	289	--	--
Iowa	630	441	--	--
Kansas	210	147	--	--
Kentucky	856	546	--	--
Louisiana	394	269	--	--
Maine	255	225	--	--
Maryland	188	214	--	--
Massachusetts	143	124	--	--
Michigan	741	600	--	--
Minnesota	501	313	--	--
Mississippi	1,020	802	--	--
Missouri	1,271	361	--	--
Montana	255	116	--	--
Nebraska	161	141	--	--
Nevada	145	127	--	--
New Hampshire	145	152	--	--
New Jersey	146	109	--	--
New Mexico	242	145	--	--
New York	502	399	--	--
North Carolina	1,229	529	--	--
North Dakota	118	172	--	--
Ohio	548	401	--	--
Oklahoma	334	460	--	--
Oregon	205	152	--	--
Pennsylvania	732	557	--	--
Rhode Island	78	59	--	--
South Carolina	2,973	412	--	--
South Dakota	146	371	--	--
Tennessee	719	506	--	--
Texas	1,143	996	--	--
Utah	288	86	--	--
Vermont	234	199	--	--
Virginia	639	907	--	--
Washington	342	212	--	--
West Virginia	298	392	--	--
Wisconsin	869	265	--	--
Wyoming	80	27	--	--
Puerto Rico	698	208	--	--
W. Pacific Areas	72	109	--	--
Total Avail./Est.	<u>\$26,550</u>	<u>\$16,225</u>	<u>\$11,829</u> <sup>1/</sup>	<u>\$13,277</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Grants - Recovery Act

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$730	--	--	--
Alaska	1,217	--	--	--
Arizona	40	--	--	--
Arkansas	2,680	--	--	--
California	4,306	--	--	--
Colorado	1,163	--	--	--
Connecticut	341	--	--	--
Delaware	455	--	--	--
Florida	575	--	--	--
Georgia	542	--	--	--
Hawaii	138	--	--	--
Idaho	193	--	--	--
Illinois	438	--	--	--
Indiana	1,334	--	--	--
Iowa	2,490	--	--	--
Kansas	1,461	--	--	--
Kentucky	1,565	--	--	--
Louisiana	812	--	--	--
Maine	1,317	--	--	--
Maryland	739	--	--	--
Massachusetts	445	--	--	--
Michigan	2,056	--	--	--
Minnesota	1,193	--	--	--
Mississippi	2,722	--	--	--
Missouri	4,833	--	--	--
Montana	168	--	--	--
Nebraska	480	--	--	--
Nevada	192	--	--	--
New Hampshire	575	--	--	--
New Jersey	485	--	--	--
New Mexico	149	--	--	--
New York	1,399	--	--	--
North Carolina	7,961	--	--	--
Ohio	426	--	--	--
Oklahoma	2,629	--	--	--
Pennsylvania	1,096	--	--	--
South Carolina	7,095	--	--	--
South Dakota	914	--	--	--
Tennessee	2,214	--	--	--
Texas	4,272	--	--	--
Utah	891	--	--	--
Vermont	786	--	--	--
Virginia	2,769	--	--	--
Washington	236	--	--	--
West Virginia	298	--	--	--
Wisconsin	1,363	--	--	--
W. Pacific Areas	258	--	--	--
Total Avail./Est.	<u>\$70,441</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Facility Grants  
2007 Tornado Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Kansas	\$3,505	--	--	--
Total Avail./Est.	<u>\$3,505</u>	<u>--</u>	<u>--</u>	<u>--</u>

Rural Community Facility Grants  
2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Arkansas	\$1,162	--	--	--
Iowa	3,705	--	--	--
Kansas	10	--	--	--
Kentucky	1,258	--	--	--
Louisiana	358	--	--	--
Michigan	191	--	--	--
Mississippi	384	--	--	--
Missouri	1,243	--	--	--
Montana	36	--	--	--
Nevada	11	--	--	--
South Dakota	68	--	--	--
Tennessee	200	--	--	--
Texas	999	--	--	--
Washington	1,000	--	--	--
West Virginia	130	--	--	--
Wisconsin	703	--	--	--
Total Avail./Est.	<u>\$11,458</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Community Development Initiative Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	--	\$50	--	--
Arkansas	\$252	175	--	--
California	503	700	--	--
Colorado	136	257	--	--
Delaware	67	175	--	--
Georgia	402	175	--	--
Hawaii	--	175	--	--
Idaho	164	65	--	--
Illinois	--	175	--	--
Indiana	--	87	--	--
Iowa	252	259	--	--
Kentucky	252	75	--	--
Maine	--	350	--	--
Maryland	433	525	--	--
Massachusetts	252	175	--	--
Michigan	--	150	--	--
Minnesota	955	485	--	--
Mississippi	252	175	--	--
Montana	252	252	--	--
Nebraska	--	300	--	--
New Mexico	--	175	--	--
New York	--	400	--	--
North Carolina	743	175	--	--
Ohio	--	175	--	--
Pennsylvania	231	--	--	--
South Dakota	728	168	--	--
Texas	80	52	--	--
Vermont	--	110	--	--
Virginia	--	95	--	--
Washington	56	--	--	--
West Virginia	252	175	--	--
Wyoming	252	--	--	--
Puerto Rico	--	146	--	--
Total Avail./Est.	<u>\$6,512</u>	<u>\$6,452</u>	<u>\$6,504</u> <sup>1/</sup>	<u>\$11,577</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Economic Impact Initiative Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Alabama	\$378	\$231	--	--
Alaska	570	92	--	--
Arizona	0	144	--	--
Arkansas	796	575	--	--
California	718	327	--	--
Colorado	170	108	--	--
Connecticut	0	71	--	--
Delaware	90	62	--	--
Florida	387	233	--	--
Georgia	447	317	--	--
Hawaii	0	58	--	--
Idaho	20	88	--	--
Illinois	252	224	--	--
Indiana	0	95	--	--
Iowa	504	233	--	--
Kansas	155	99	--	--
Kentucky	1,323	449	--	--
Louisiana	262	161	--	--
Maine	217	148	--	--
Maryland	148	95	--	--
Massachusetts	119	79	--	--
Michigan	389	312	--	--
Minnesota	234	145	--	--
Mississippi	398	383	--	--
Missouri	439	494	--	--
Montana	128	133	--	--
Nebraska	131	85	--	--
Nevada	61	79	--	--
New Hampshire	117	80	--	--
New Jersey	122	80	--	--
New Mexico	147	95	--	--
New York	0	207	--	--
North Carolina	1,022	286	--	--
North Dakota	104	70	--	--
Oklahoma	241	149	--	--
Oregon	159	102	--	--
Pennsylvania	281	231	--	--
South Carolina	330	200	--	--
South Dakota	372	80	--	--
Tennessee	391	236	--	--
Utah	119	61	--	--
Vermont	114	92	--	--
Virginia	2,103	275	--	--
Washington	212	50	--	--
West Virginia	210	131	--	--
Wisconsin	225	159	--	--
Puerto Rico	157	100	--	--
W. Pacific Areas	145	25	--	--
Administrative Expenses	287	225	--	--
Total Avail./Est.	<u>\$15,193</u>	<u>\$8,451</u>	<u>\$8,396</u> 1/	<u>\$1,740</u> 1/

1/ Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Hazardous Weather Early Warning Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
California	\$43	--	--	--
Colorado	--	\$34	--	--
Mississippi	68	--	--	--
Total Avail./Est.	<u>\$110</u>	<u>\$34</u>	<u>\$50 <sup>1/</sup></u>	<u>\$39 <sup>1/</sup></u>

Tribal College Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Alaska	--	\$205	--	--
Arizona	\$197	430	--	--
Michigan	197	170	--	--
Minnesota	393	390	--	--
Montana	1,375	1,290	--	--
Nebraska	393	--	--	--
North Dakota	786	630	--	--
South Dakota	589	430	--	--
Washington	197	--	--	--
Wisconsin	197	215	--	--
Total Avail./Est.	<u>\$4,322</u>	<u>\$3,759</u>	<u>\$3,705 <sup>1/</sup></u>	<u>\$4,201 <sup>1/</sup></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL HOUSING SERVICE

## RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Classification by Objects  
(Dollars in thousands)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Other Objects:				
41 Grants, subsidies, and contributions.....	<u>\$170,782</u>	<u>\$49,198</u>	<u>\$39,503</u>	<u>\$31,881</u>
Total direct obligations.....	<u>170,782</u>	<u>49,198</u>	<u>39,503</u>	<u>31,881</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Insurance Fund Program Account (including transfers of funds)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows:  
 1 ~~[\$900,000,000]~~\$652,764,000 shall be for direct loans and \$24,000,000 shall be for unsubsidized  
 2 guaranteed loans; ~~[\$10,000,000]~~\$27,952,000 for section 504 housing repairs loans; ~~[\$64,478,000 for section~~  
 3 ~~515 rental housing; \$130,000,000]~~and \$150,000,000 for section 538 guaranteed multi-family housing loans  
 3 ~~]; \$10,000,000 for credit sales of single family housing acquired property; and \$5,000,000 for section 523 self-~~  
 help housing land development loans].

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, ~~[\$42,570,000]~~\$38,970,000 shall be for  
 4 direct loans; section 504 housing repair loans, \$1,421,000; and repair, rehabilitation and new construction of  
 5 section 515 rental housing, ~~\$22,000,000]~~\$3,821,000: *Provided*, [That the Secretary may charge a guarantee fee  
 of up to 4 percent on section 502 guarantee loans: *Provided further*, ]That to support the loan program level for  
 section 538 guaranteed loans made available under this heading the Secretary may charge or adjust any fees to  
 6 cover the projected cost of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2  
 U.S.C. 661 et seq.), and the interest on such loans may not be subsidized:[ *Provided further*, That of the total  
 amount appropriated in this paragraph, the amount equal to the amount of Rural Housing Insurance Fund  
 Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal  
 year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of  
 7 Agriculture as Rural Economic Area Partnership Zones] *Provided further*, That, of the amounts available  
under this paragraph for section 502 direct loans, no less than \$4 million shall be available for direct loans for  
full time school teachers until August 1, 2013, and no less than \$8.4 million should be available for direct  
loans for individuals whose homes will be built pursuant to a program funded with a mutual and self help  
housing grant authorized by section 523 of the Housing Act of 1949 until June 1, 2013.

In addition, for the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486,  
~~[\$14,200,000]~~\$17,526,000, to remain available until expended, for direct farm labor housing loans and  
 domestic farm labor housing grants and contracts: *Provided*, That any balances available for the Farm Labor  
 Program Account shall be transferred to and merged with this account.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs,  
 8 ~~[\$430,800,000]~~\$408,127,000 shall be [transferred to and merged with]paid to the appropriation for "Rural  
 Development, Salaries and Expenses".

The first change removes the language for the section 515 rental as no funding is proposed for the program.

The second change inserts the word "and."

The third change removes the language for credit sales of acquired property and section 523 self-help housing land development loans as no funding is proposed for the programs.

The fourth change removes language for the section 515 rental as no funds are proposed for the program in 2013 with an emphasis instead on the rehabilitation of the existing portfolio

The fifth change removes the language concerning the fee in the 502 guarantee loans program.

The sixth change reflects the removal of the set-aside for the rural economic area partnership zones as the authorization for this program expired in 2012. These areas can be funded from the regular appropriation.

The seventh change language about specific earmarks for the section 502 direct loans program for full-time teachers and houses built using the mutual and self-help housing program.

The eighth change adds language simplifying the transfer and consolidation of funds from the individually appropriated administrative expense accounts to the Rural Development, Salaries and Expense account.

## RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT  
 (On basis of loan level, subsidy, grants, and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>	<u>Administrative Expenses</u>
Appropriations Act, 2012.....	\$25,140,268,941	\$73,091,000	\$7,100,000	\$430,800,000
Budget Estimate, 2013.....	24,856,684,344	51,449,000	8,868,000	408,127,000
Change from 2012 Appropriation.....	<u>-283,584,597</u>	<u>-21,642,000</u>	<u>1,768,000</u>	<u>-22,673,000</u>

## RURAL HOUSING SERVICE

## RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

Summary of Increases and Decreases  
(Dollars in thousands)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Change</u>	<u>2012</u> <u>Change</u>	<u>2013</u> <u>Change</u>	<u>2013</u> <u>Estimate</u>
Discretionary Appropriations:					
Single family housing					
direct loans.....	\$40,710	+\$29,350	-\$27,490	-\$3,600 (9)	\$38,970
Single family housing					
guaranteed purchase loans.....	169,400	-169,400	-	-	0
Single family housing					
guaranteed refinance loans.....	3,400	-3,400	-	-	0
Rural rental housing					
direct loans.....	18,935	+4,464	-1,399	-22,000 (10)	0
Multi-family housing					
guaranteed loans.....	1,485	+1,509	-2,994	-	0
Housing repair direct loans.....	4,422	-9	-2,992	+2,400 (11)	3,821
Site development direct loans.....	0	+293	-293	-	0
Self-help land development					
housing loans.....	0	+287	-287	-	0
Multi-family housing					
credit sales.....	556	-1	-555	-	0
Farm labor housing loans.....	0	-	+7,100	+1,558 (12)	8,658
Farm labor housing grants.....	0	-	+7,100	+1,768 (8)	8,868
Administrative expenses	468,593	-15,119	-22,674	-22,673 (13)	408,127
Total Appropriation or Change....	<u>707,501</u>	<u>-152,025</u>	<u>-44,485</u>	<u>-42,547</u>	<u>468,444</u>

PROJECT STATEMENT

(On basis of supportable loan levels, appropriated subsidies and grants, and administrative expenses)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing direct loans.....	\$1,013,623	\$36,795	\$1,119,159	\$70,059	\$900,000	\$42,570	-\$247,236 (1)	-\$3,600 (9)	\$652,764	\$38,970
SFH direct loans - ARRA a/.....	1,131,244	41,064	0	0	0	0	0	0	0	0
SFH guaranteed loans - purchase.....	14,868,122	177,856	0	0	0	0	0	0	0	0
SFH guaranteed loans - refinance.....	200,551	3,449	0	0	0	0	0	0	0	0
SFH guaranteed loans - blended b/.....	0	0	16,858,928	0	24,000,000	0	0	0	24,000,000	0
SFH guar. 2005 hurricanes emergency supplemental c/.....	332,123	4,783	0	0	0	0	0	0	0	0
SFH guar. 2007 emergency supplemental d/.....	12,564	181	0	0	0	0	0	0	0	0
SFH guar. 2008 disasters e/.....	129,613	1,866	0	0	0	0	0	0	0	0
SFH guaranteed loans - purchase - ARRA g/.....	1,148,153	16,533	0	0	0	0	0	0	0	0
SFH guaranteed loans - refinance - ARRA g/.....	72,618	1,249	0	0	0	0	0	0	0	0
Rural rental housing direct loans.....	68,130	18,559	69,215	23,346	64,478	22,000	-64,478 (2)	-22,000 (10)	0	0
Multi-family housing guaranteed loans f/.....	129,130	1,485	30,898	2,994	130,000	0	20,000 (3)	0	150,000	0
Multi-family housing guaranteed loans - No Year.....	0	0	1,455	141	0	0	0	0	0	0
Multi-family housing guaranteed loans 2008 dis. emer. supp. g/.....	577	111	0	0	0	0	0	0	0	0
Housing repair direct loans.....	25,961	3,336	21,851	4,136	10,000	1,421	17,952 (4)	2,400 (11)	27,952	3,821
Housing repair direct loans - 2005 hurricanes emergency supp. h/.....	194	25	0	0	0	0	0	0	0	0
Self-help housing land dev. loans i/.....	0	0	346	20	5,000	0	-5,000 (5)	0	0	0
Single-family housing credit sales j/.....	1,104	0	711	0	10,000	0	-10,000 (6)	0	0	0
Multi-family housing credit sales.....	1,110	426	175	67	0	0	0	0	0	0
Farm labor housing loans.....	0	0	0	0	20,791	7,100	5,178 (7)	1,558 (12)	25,969	8,658
Farm labor housing grants.....	0	0	0	0	7,100	7,100	1,768 (8)	1,768	8,868	8,868
Total Available or Estimate.....	19,134,817	307,719	18,102,736	100,764	25,147,369	80,191	-281,817	-19,874	24,865,552	60,317
Transfer of unobligated balances.....	0	0	0	0	0	0	0	0	0	0
Recovery of prior year obligations.....	-1,449,378	-3,204	-1,576	-1,391	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,789,914	-122,732	-45,471	-44,157	0	0	0	0	0	0
Unobligated balance expiring.....	211,249	7,213	7,153,115	4	0	0	0	0	0	0
Unobligated balance available, end of year.....	46,456	45,074	1,717	1,717	0	0	0	0	0	0
Secretary's Interchange transfer.....	184,338	4,839	9,652	1,048	0	0	0	0	0	0
Total administrative expenses k/.....	0	468,593	0	453,474	0	430,800	0	-22,673 (13)	0	408,127
Unobligated balance rescission l/.....	0	0	44,016	44,016	0	0	0	0	0	0
Rescission m/.....	0	0	2,513	1,113	0	0	0	0	0	0
Total appropriated loans and subsidies.....	13,337,568	238,908	25,266,702	102,206	25,147,369	80,191	-281,817	-19,874	24,865,552	60,317
Total appropriated administrative expenses.....	0	468,593	0	454,383	0	430,800	0	-22,673	0	408,127

Staff-years are reflected in the Salaries and Expenses Project Statement. NOTE: Individual columns may not add due to rounding.

**PROJECT STATEMENT**

(On basis of available loan levels, subsidies and grants, and administrative expenses)

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing direct loans.....	\$1,013,623	\$36,795	\$1,119,159	\$70,059	\$900,000	\$42,570	-\$247,236	-\$3,600	\$652,764	\$38,970
SFH direct loans - ARRA a/.....	1,131,244	41,064	0	0	0	0	0	0	0	0
SFH guaranteed loans - purchase.....	14,868,122	177,856	0	0	0	0	0	0	0	0
SFH guaranteed loans - refinance.....	200,551	3,449	0	0	0	0	0	0	0	0
SFH guaranteed loans - blended b/.....	0	0	16,858,928	0	24,000,000	0	0	0	24,000,000	0
SFH guar. 2005 hurricanes emergency supplemental c/.....	332,123	4,783	0	0	0	0	0	0	0	0
SFH guar. 2007 emergency supplemental d/.....	12,564	181	0	0	0	0	0	0	0	0
SFH guar. 2008 disasters e/.....	129,613	1,866	0	0	0	0	0	0	0	0
SFH guaranteed loans - purchase - ARRA a/.....	1,148,153	16,533	0	0	0	0	0	0	0	0
SFH guaranteed loans - refinance - ARRA a/.....	72,618	1,249	0	0	0	0	0	0	0	0
Rural rental housing direct loans.....	68,130	18,559	69,215	23,346	64,478	22,000	-64,478	-22,000	0	0
Multi-family housing guaranteed loans f/.....	129,130	1,485	30,898	2,994	130,000	0	20,000	0	150,000	0
Multi-family housing guaranteed loans - No Year.....	0	0	1,455	141	0	0	0	0	0	0
Multi-family housing guaranteed loans 2008 dis. emer. supp. g/.....	577	111	0	0	0	0	0	0	0	0
Housing repair direct loans.....	25,961	3,336	21,851	4,136	10,000	1,421	17,952	2,400	27,952	3,821
Housing repair direct loans - 2005 hurricanes emergency supp. h/.....	194	25	0	0	0	0	0	0	0	0
Self-help housing land dev. loans i/.....	0	0	346	20	5,000	0	-5,000	0	0	0
Single-family housing credit sales j/.....	1,104	0	711	0	10,000	0	-10,000	0	0	0
Multi-family housing credit sales.....	1,110	426	175	67	0	0	0	0	0	0
Farm labor housing loans.....	0	0	0	0	27,188	9,285	-1,220	-627	25,969	8,658
Farm labor housing grants.....	0	0	0	0	9,259	9,259	-391	-391	8,868	8,868
Total Available or Estimate.....	19,134,817	307,719	18,102,736	100,764	25,155,926	84,535	-281,817	-19,874	24,865,552	60,317
Transfer of unobligated balances.....	0	0	0	0	-8,557	-4,344	8,557	4,344	0	0
Recovery of prior year obligations.....	-1,449,378	-3,204	-1,576	-1,391	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,789,914	-122,732	-45,471	-44,157	-1,717	-1,717	1,717	1,717	0	0
Unobligated balance expiring.....	211,249	7,213	7,153,115	4	0	0	0	0	0	0
Unobligated balance available, end of year.....	46,456	45,074	1,717	1,717	1,291	1,291	-1,291	-1,291	0	0
Secretary's Interchange transfer.....	184,338	4,839	9,652	1,048	0	0	0	0	0	0
Total administrative expenses k/.....	0	468,593	0	453,474	0	430,800	0	-22,673	0	408,127
Unobligated balance rescission l/.....	0	0	44,016	44,016	427	427	-427	-427	0	0
Rescission m/.....	0	0	2,513	1,113	0	0	0	0	0	0
Total appropriated loans and subsidies.....	13,337,568	238,908	25,266,702	102,206	25,147,369	80,191	-273,260	-38,203	24,865,552	60,317
Total appropriated administrative expenses.....	0	468,593	0	454,383	0	430,800	0	-22,673	0	408,127

Staff-years are reflected in the Salaries and Expenses Project Statement. NOTE: Individual columns may not add due to rounding.

## Project Statement Footnotes

- a/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds were available through the fiscal year ending September 30, 2010.
- b/ Negative subsidy rates of 0.19%, 0.03% and 0.28% were calculated for 2011, 2012 and 2013, respectively. Therefore, corresponding budget authority is not required to support the loan levels.
- c/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Appropriations Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by 2005 calendar year hurricanes. Additional appropriations were provided in P.L. 110-329 and transferred from the Rural Development Assistance Disaster Fund.
- d/ Provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, dated May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007.
- e/ Transferred from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, PAL. 110-329, dated September 30, 2008, to provide additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.
- f/ Negative subsidy rates of 0.06% and 0.04% were calculated for 2012 and 2013, respectively. Therefore, corresponding budget authority is not required to support the loan levels.
- g/ Transferred from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, PAL. 110-329, dated September 30, 2008, to provide additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.
- h/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Appropriations Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by 2005 calendar year hurricanes. Additional appropriations were provided in P.L. 110-329 and transferred from the Rural Development Assistance Disaster Fund.
- i/ A negative subsidy rate of 1.01% was calculated for 2012. Therefore, corresponding budget authority is not required to support the loan level.
- j/ Negative subsidy rates of 15.63%, 11.12% and 16.85% were calculated for 2010, 2011 and 2012, respectively. Therefore, corresponding budget authority is not required to support the loan levels.

- k/ In 2010, funding of \$468,593,000 was appropriated and transferred to the Rural Development Salaries and Expense Account. In 2011, funding of \$453,474,234 was appropriated and transferred to the Rural Development Salaries and Expense Account. In 2012, funding of \$430,800,000 was requested and will be paid to the Rural Development Salaries and Expense Account. In 2013, funding of \$408,127,000 is requested and will be paid to the Rural Development Salaries and Expense Account.
- l/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- m/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) A decrease of \$247,236,000 in section 502 direct single family housing loans (\$900,000,000 available in 2012).

The 2013 budget reflects the change in direction of the USDA single family housing assistance programs: to provide single family housing assistance primarily through loan guarantees. At a requested program level of \$652,764,000 million, the direct loan program is expected to be used in part for various administration initiatives including target funding for teachers as well as beneficiaries of the mutual and self-help grant program. At the proposed 2013 funding level, USDA will provide funding for approximately 5,530 direct loans for very low- and low-income families.

- (2) A decrease of \$64,478,000 in rural rental housing direct loans (\$64,478,000 available in 2012).

USDA plans to shift funding for new construction of section 515 properties, and rehabilitation and repair of the section 515 loan portfolio to the multi-family preservation and revitalization demonstration program. No funding was provided for 515 multi-family housing construction loans because the focus of the 2013 budget for multi-family housing is portfolio management. Funds will be used for revitalizing aging rental housing stock to ensure safe, decent and affordable housing for very low- and low-income families, the elderly, and persons with disabilities.

- (3) An increase of \$20,000,000 in multi-family housing guaranteed loans (\$130,000,000 available in 2012).

The section 538 guaranteed rural rental housing program will be developed under a negative subsidy rate in 2013. Analysis showed that the program could be delivered at a negative subsidy rate based on delinquency rates, recovery rates, and fees, along with coupling the loan guarantee with projects funded with Low Income Housing Tax Credits. Having a subsidy neutral program requires a continuation of the 2012 appropriations language allowing for a fee and lifting the subsidized interest requirement. At a \$150 million loan level, RHS expects to provide 4,338 units of new construction or revitalized units of affordable housing.

- (4) An increase of \$17,952,000 in section 504 housing repair loans (\$10,000,000 available in 2012).

Demand for the section 504 Housing Repair Loan program, which removes health and safety hazards from rural homes owned and occupied by very low-income elderly families, remains high. In 2011, the average loan was \$5,399. It is anticipated that 4,976 homeowners would be assisted with this increase in funding.

- (5) A decrease of \$5,000,000 in section 523 self-help land development housing loans (\$5,000,000 available in 2012).

The program level on these loans is so low that it has virtually no impact in connection with the reductions to the mutual and self help housing grant program. It is an inefficient use of resources for RHS to administer loan subsidy calculations, reestimates, as well as loan servicing. Because of this, no funding is requested in 2013.

- (6) A decrease of \$10,000,000 in single family housing credit sales (\$10,000,000 available in 2012).

The program level for these loans has been reduced to such a level that there is virtually no impact when distributed across the country. It is inefficient use of resources for RHS to administer loan subsidy calculations, reestimates, as well as loan servicing. In addition, these are often loans where the borrower is able to obtain private credit. Because of this, no funding is requested in 2013.

- (7) An increase of \$5,178,000 in section 514 direct farm labor housing loans (\$20,791,000 available in 2012).

This increase will make more funding available for rehabilitation and repair of the section 514 farm labor housing loan portfolio. New construction projects will be further supplemented by the availability of rental

assistance. At the funding levels for direct farm labor housing and farm labor housing grants, a total of 1,781 units of farm labor housing will be constructed or rehabilitated.

- (8) An increase of \$1,768,000 in the section 516 domestic farm labor housing grants (\$7,100,000 available in 2012).

This increase will make more funding available for rehabilitation and repair of the section 514 farm labor housing loan portfolio. New construction projects will be further supplemented by the availability of rental assistance. At the funding levels for direct farm labor housing and farm labor housing grants, a total of 1,781 units of farm labor housing will be constructed or rehabilitated.

- (9) A decrease of \$3,600,000 in loan subsidy for section 502 direct single family housing loans (\$42,570,000 available in 2012).

The subsidy for the direct single family housing loans decreases primarily because the 2013 Budget request is significantly lower than in 2012. The \$658 million loan level using the 2013 subsidy rate resulted in a \$3.6 million decrease below enacted.

- (10) A decrease of \$22 million in loan subsidy for section 515 rural rental housing direct loans (\$22,000,000 available in 2012).

The subsidy for housing repair loans increases primarily because the 2013 Budget requests an increased loan level in 2012. The \$28 million loan level using the 2013 subsidy rate requires an increase of \$2.4 million over enacted.

- (11) An increase of \$2,400,000 in loan subsidy for section 504 housing repair loans (\$1,421,000 available in 2012).

The subsidy for farm labor housing loans increases primarily because the 2013 Budget requests an increased loan level in 2012. The \$26 million loan level using the 2013 subsidy rate requires an increase of \$1.558 million over enacted.

- (11) An increase of \$1,558,000 in loan subsidy for section 514 farm labor housing loans (\$7,100,000 available in 2012).

The subsidy for farm labor housing loans increases primarily because the 2013 Budget requests an increased loan level in 2012. The \$26 million loan level using the 2013 subsidy rate requires an increase of \$1.558 million over enacted.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Single Family Housing Direct Loans

	<u>FY 2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$15,269	\$23,221	--	--
Alaska	7,902	11,483	--	--
Arizona	13,817	16,032	--	--
Arkansas	18,997	25,708	--	--
California	61,727	69,649	--	--
Colorado	16,074	15,511	--	--
Connecticut	1,018	3,311	--	--
Delaware	10,004	7,746	--	--
Florida	47,275	31,438	--	--
Georgia	11,915	21,062	--	--
Hawaii	11,734	18,273	--	--
Idaho	20,554	13,518	--	--
Illinois	15,856	22,538	--	--
Indiana	32,385	22,303	--	--
Iowa	17,231	17,200	--	--
Kansas	9,258	15,390	--	--
Kentucky	28,631	35,112	--	--
Louisiana	25,208	33,613	--	--
Maine	30,109	29,188	--	--
Maryland	12,453	9,945	--	--
Massachusetts	13,727	10,719	--	--
Michigan	20,060	30,134	--	--
Minnesota	18,657	24,157	--	--
Mississippi	20,713	28,332	--	--
Missouri	31,390	38,274	--	--
Montana	17,455	14,527	--	--
Nebraska	4,026	9,467	--	--
Nevada	4,418	8,670	--	--
New Hampshire	16,299	13,717	--	--
New Jersey	11,931	6,734	--	--
New Mexico	7,623	6,297	--	--
New York	22,592	22,888	--	--
North Carolina	35,020	51,944	--	--
North Dakota	6,439	5,741	--	--
Ohio	34,258	29,263	--	--
Oklahoma	16,522	17,606	--	--
Oregon	17,314	14,037	--	--
Pennsylvania	21,962	24,960	--	--
Rhode Island	2,723	2,763	--	--
South Carolina	27,382	24,745	--	--
South Dakota	10,165	12,261	--	--
Tennessee	20,704	33,609	--	--
Texas	40,574	59,879	--	--
Utah	45,973	40,759	--	--
Vermont	10,404	10,009	--	--
Virginia	19,675	26,193	--	--
Washington	56,914	43,225	--	--
West Virginia	13,354	14,175	--	--
Wisconsin	17,254	20,545	--	--
Wyoming	4,228	8,268	--	--
Puerto Rico	10,262	18,846	--	--
Virgin Islands	885	1,571	--	--
W. Pacific Areas	5,300	2,600	--	--
Total Avail./Est.	<u>\$1,013,623</u>	<u>\$1,119,159</u>	<u>\$900,000</u> <sup>1/</sup>	<u>\$652,764</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Single-Family Housing Direct Loans - Recovery Act

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2012 Estimate</u>
Alabama	\$13,491	--	--	--
Alaska	14,904	--	--	--
Arizona	17,577	--	--	--
Arkansas	22,365	--	--	--
California	58,829	--	--	--
Colorado	17,993	--	--	--
Connecticut	7,044	--	--	--
Delaware	13,355	--	--	--
Florida	18,985	--	--	--
Georgia	30,870	--	--	--
Hawaii	7,659	--	--	--
Idaho	32,216	--	--	--
Illinois	22,101	--	--	--
Indiana	45,912	--	--	--
Iowa	24,922	--	--	--
Kansas	15,795	--	--	--
Kentucky	32,952	--	--	--
Louisiana	25,212	--	--	--
Maine	25,265	--	--	--
Maryland	12,962	--	--	--
Massachusetts	20,528	--	--	--
Michigan	31,340	--	--	--
Minnesota	28,300	--	--	--
Mississippi	21,848	--	--	--
Missouri	44,138	--	--	--
Montana	20,788	--	--	--
Nebraska	8,748	--	--	--
Nevada	8,822	--	--	--
New Hampshire	13,691	--	--	--
New Jersey	12,035	--	--	--
New Mexico	3,964	--	--	--
New York	10,525	--	--	--
North Carolina	51,324	--	--	--
North Dakota	4,467	--	--	--
Ohio	28,416	--	--	--
Oklahoma	19,288	--	--	--
Oregon	23,815	--	--	--
Pennsylvania	28,233	--	--	--
Rhode Island	3,740	--	--	--
South Carolina	32,840	--	--	--
South Dakota	10,119	--	--	--
Tennessee	33,269	--	--	--
Texas	34,438	--	--	--
Utah	44,279	--	--	--
Vermont	10,069	--	--	--
Virginia	22,419	--	--	--
Washington	39,516	--	--	--
West Virginia	12,652	--	--	--
Wisconsin	17,766	--	--	--
Wyoming	7,232	--	--	--
Puerto Rico	11,671	--	--	--
W. Pacific Areas	10,558	--	--	--
Total Avail./Est.	<u>\$1,131,244</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Single Family Housing Guaranteed Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$367,174	\$413,158	--	--
Alaska	59,292	70,023	--	--
Arizona	377,800	268,991	--	--
Arkansas	385,651	414,624	--	--
California	561,048	699,261	--	--
Colorado	187,547	226,239	--	--
Connecticut	76,464	88,107	--	--
Delaware	68,435	74,059	--	--
Florida	815,137	758,144	--	--
Georgia	491,485	412,064	--	--
Hawaii	134,538	260,129	--	--
Idaho	203,843	186,918	--	--
Illinois	388,633	431,358	--	--
Indiana	428,206	552,112	--	--
Iowa	164,801	191,876	--	--
Kansas	177,717	180,861	--	--
Kentucky	297,763	351,872	--	--
Louisiana	543,381	741,463	--	--
Maine	220,985	253,331	--	--
Maryland	249,659	340,201	--	--
Massachusetts	93,875	143,316	--	--
Michigan	602,168	640,718	--	--
Minnesota	317,008	363,936	--	--
Mississippi	262,664	307,031	--	--
Missouri	438,881	481,036	--	--
Montana	147,568	165,816	--	--
Nebraska	79,225	105,899	--	--
Nevada	72,612	75,322	--	--
New Hampshire	123,902	159,009	--	--
New Jersey	122,523	167,207	--	--
New Mexico	47,981	42,360	--	--
New York	174,882	177,803	--	--
North Carolina	850,446	873,112	--	--
North Dakota	36,165	53,525	--	--
Ohio	334,822	422,994	--	--
Oklahoma	300,575	265,722	--	--
Oregon	396,389	354,136	--	--
Pennsylvania	404,502	556,020	--	--
Rhode Island	19,512	28,415	--	--
South Carolina	419,646	375,204	--	--
South Dakota	117,722	143,044	--	--
Tennessee	444,505	502,205	--	--
Texas	833,396	826,637	--	--
Utah	268,221	354,721	--	--
Vermont	57,416	85,679	--	--
Virginia	407,960	460,905	--	--
Washington	448,241	657,543	--	--
West Virginia	169,500	186,476	--	--
Wisconsin	356,105	338,357	--	--
Wyoming	217,266	235,827	--	--
Puerto Rico	291,461	386,952	--	--
Virgin Islands	1,349	160	--	--
Western Pacific	10,625	7,050	--	--
Total Avail./Est.	<u>\$15,068,673</u>	<u>\$16,858,928</u>	<u>\$24,000,000 <sup>1/</sup></u>	<u>\$24,000,000 <sup>1/</sup></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Single Family Housing Loans - Guaranteed  
Recovery Act

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$37,576	--	--	--
Alaska	2,751	--	--	--
Arizona	38,548	--	--	--
Arkansas	30,048	--	--	--
California	26,864	--	--	--
Colorado	12,278	--	--	--
Connecticut	7,066	--	--	--
Delaware	5,615	--	--	--
Florida	38,067	--	--	--
Georgia	28,093	--	--	--
Hawaii	8,987	--	--	--
Idaho	19,946	--	--	--
Illinois	38,398	--	--	--
Indiana	33,522	--	--	--
Iowa	14,040	--	--	--
Kansas	13,220	--	--	--
Kentucky	25,751	--	--	--
Louisiana	67,918	--	--	--
Maine	29,288	--	--	--
Maryland	15,226	--	--	--
Massachusetts	13,709	--	--	--
Michigan	70,275	--	--	--
Minnesota	22,378	--	--	--
Mississippi	10,663	--	--	--
Missouri	37,037	--	--	--
Montana	17,907	--	--	--
Nebraska	7,570	--	--	--
Nevada	3,430	--	--	--
New Hampshire	11,723	--	--	--
New Jersey	11,015	--	--	--
New Mexico	3,757	--	--	--
New York	18,788	--	--	--
North Carolina	90,716	--	--	--
North Dakota	3,190	--	--	--
Ohio	58,610	--	--	--
Oklahoma	19,104	--	--	--
Oregon	27,945	--	--	--
Pennsylvania	30,491	--	--	--
Rhode Island	2,245	--	--	--
South Carolina	20,295	--	--	--
South Dakota	14,747	--	--	--
Tennessee	30,254	--	--	--
Texas	38,214	--	--	--
Utah	28,555	--	--	--
Vermont	6,810	--	--	--
Virginia	20,176	--	--	--
Washington	28,405	--	--	--
West Virginia	13,003	--	--	--
Wisconsin	41,597	--	--	--
Wyoming	7,490	--	--	--
Puerto Rico	16,471	--	--	--
Virgin Islands	160	--	--	--
W. Pacific Areas	841	--	--	--
Total Avail./Est.	<u>\$1,220,771</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Single Family Housing Guaranteed Loans Purchase  
2005 Hurricanes for Natural Disaster

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$31,331	--	--	--
Louisiana	214,917	--	--	--
Mississippi	70,129	--	--	--
Texas	15,746	--	--	--
Total Avail./Est.	<u>\$332,123</u>	<u>--</u>	<u>--</u>	<u>--</u>

Single Family Housing Guaranteed Loans Purchase  
2007 Tornadoes Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Kansas	\$12,564	--	--	--
Total Avail./Est.	<u>\$12,564</u>	<u>--</u>	<u>--</u>	<u>--</u>

Single Family Housing Guaranteed Loans Purchase  
2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Arkansas	\$22,092	--	--	--
Colorado	204	--	--	--
Georgia	2,027	--	--	--
Illinois	11,231	--	--	--
Indiana	18,458	--	--	--
Iowa	12,161	--	--	--
Kentucky	2,523	--	--	--
Louisiana	7,437	--	--	--
Maine	1,808	--	--	--
Mississippi	1,877	--	--	--
Missouri	18,725	--	--	--
Nebraska	3,582	--	--	--
Nevada	1,542	--	--	--
Tennessee	5,702	--	--	--
Texas	4,657	--	--	--
West Virginia	1,414	--	--	--
Wisconsin	14,173	--	--	--
Total Avail./Est.	<u>\$129,613</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Rental Housing Direct Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$288	--	--	--
Alaska	2,950	--	--	--
Arizona	--	\$1,372	--	--
California	6,787	3,634	--	--
Connecticut	1,673	--	--	--
Delaware	1,000	--	--	--
Florida	2,977	6,553	--	--
Georgia	273	696	--	--
Hawaii	312	--	--	--
Idaho	3,584	6,280	--	--
Illinois	1,888	858	--	--
Indiana	1,127	--	--	--
Iowa	656	--	--	--
Kansas	1,000	5,879	--	--
Kentucky	100	849	--	--
Louisiana	1,901	246	--	--
Maine	2,890	2,287	--	--
Maryland	--	1,000	--	--
Massachusetts	1,292	2,427	--	--
Michigan	445	2,817	--	--
Minnesota	426	3,683	--	--
Mississippi	2,491	--	--	--
Missouri	1,248	--	--	--
Montana	427	1,122	--	--
Nebraska	423	59	--	--
Nevada	--	303	--	--
New Hampshire	1,000	1,000	--	--
New Jersey	131	2,365	--	--
New York	4,472	500	--	--
North Carolina	7,365	8,180	--	--
North Dakota	840	--	--	--
Ohio	--	7,036	--	--
Oklahoma	463	--	--	--
Oregon	1,000	1,169	--	--
South Carolina	5,315	--	--	--
South Dakota	771	337	--	--
Tennessee	3,782	310	--	--
Texas	--	287	--	--
Utah	199	523	--	--
Vermont	1,954	3,000	--	--
Virginia	2,657	221	--	--
Washington	1,000	2,118	--	--
Wisconsin	--	1,969	--	--
Wyoming	1,022	135	--	--
Total Avail./Est.	<u>\$68,130</u>	<u>\$69,215</u>	<u>\$64,478</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Multi Family Housing Guaranteed Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$1,001	--	--	--
Alaska	6,500	--	--	--
Arkansas	--	\$2,327	--	--
California	55,320	14,374	--	--
Colorado	2,005	--	--	--
Delaware	1,273	--	--	--
Florida	2,358	--	--	--
Georgia	--	1,575	--	--
Illinois	6,293	--	--	--
Indiana	2,753	900	--	--
Kansas	2,447	--	--	--
Kentucky	1,350	1,901	--	--
Louisiana	560	988	--	--
Maryland	2,970	--	--	--
Massachusetts	3,802	--	--	--
Michigan	1,167	--	--	--
Minnesota	1,010	--	--	--
Mississippi	1,949	--	--	--
Missouri	--	3,129	--	--
Montana	--	1,456	--	--
North Carolina	2,300	--	--	--
North Dakota	2,460	--	--	--
<u>Ohio</u>	600	730	--	--
Oklahoma	839	--	--	--
Pennsylvania	2,368	--	--	--
Rhode Island	1,114	--	--	--
South Carolina	651	3,473	--	--
Tennessee	13,357	--	--	--
Texas	4,960	1,500	--	--
Washington	3,402	--	--	--
West Virginia	3,310	--	--	--
Wyoming	1,011	--	--	--
Total Avail./Est.	<u>\$129,130</u>	<u>\$32,353</u>	<u>\$130,000 <sup>1/</sup></u>	<u>\$150,000 <sup>1/</sup></u>

Multifamily Housing Guaranteed Loans - 2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Indiana	\$577	--	--	--
Total Avail./Est.	<u>\$577</u>	<u>--</u>	<u>--</u>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Very Low-Income Housing Repair Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$766	\$603	--	--
Alaska	47	46	--	--
Arizona	150	299	--	--
Arkansas	626	546	--	--
California	93	14	--	--
Colorado	76	86	--	--
Connecticut	17	12	--	--
Delaware	39	29	--	--
Florida	946	811	--	--
Georgia	793	745	--	--
Hawaii	369	138	--	--
Idaho	204	115	--	--
Illinois	1,708	1,578	--	--
Indiana	659	395	--	--
Iowa	868	589	--	--
Kansas	333	323	--	--
Kentucky	1,959	1,474	--	--
Louisiana	923	709	--	--
Maine	524	406	--	--
Maryland	62	22	--	--
Massachusetts	113	63	--	--
Michigan	974	712	--	--
Minnesota	613	478	--	--
Mississippi	909	855	--	--
Missouri	815	850	--	--
Montana	107	52	--	--
Nebraska	318	145	--	--
Nevada	94	130	--	--
New Hampshire	159	244	--	--
New Jersey	29	4	--	--
New Mexico	56	138	--	--
New York	447	418	--	--
North Carolina	1,740	1,520	--	--
North Dakota	156	112	--	--
Ohio	631	718	--	--
Oklahoma	281	201	--	--
Oregon	131	223	--	--
Pennsylvania	869	707	--	--
Rhode Island	52	58	--	--
South Carolina	595	518	--	--
South Dakota	248	166	--	--
Tennessee	1,185	807	--	--
Texas	1,419	1,402	--	--
Utah	175	126	--	--
Vermont	178	208	--	--
Virginia	551	601	--	--
Washington	378	291	--	--
West Virginia	620	539	--	--
Wisconsin	616	332	--	--
Wyoming	11	--	--	--
Puerto Rico	141	210	--	--
Virgin Islands	23	7	--	--
W. Pacific Areas	166	77	--	--
Total Avail./Est.	<u>\$25,961</u>	<u>\$21,851</u>	<u>\$10,000</u> <sup>1/</sup>	<u>\$27,952</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Very Low-Income Housing Repair Loans  
2005 Hurricanes for Natural Disaster

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013 Estimate</u>
Alabama	\$29	--	--	--
Mississippi	124	--	--	--
Texas	41	--	--	--
Total Avail./Est.	<u>\$194</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Self-Help Housing Land Development Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
North Carolina	--	\$346	--	--
Total Avail./Est.	<u>--</u>	<u>\$346</u>	<u>\$5,000 <sup>1/</sup></u>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Single Family Housing Credit Sales

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	\$244	--	--	--
Arkansas	52	--	--	--
Arizona	--	37	--	--
California	72	50	--	--
Georgia	35	69	--	--
Idaho	46	96	--	--
Indiana	59	--	--	--
Iowa	50	34	--	--
Missouri	58	--	--	--
New Hampshire	14	--	--	--
New Mexico	126	--	--	--
New York	--	48	--	--
Oregon	214	314	--	--
South Carolina	22	--	--	--
Texas	112	63	--	--
Total Avail./Est.	<u>\$1,104</u>	<u>\$711</u>	<u>\$10,000</u> <sup>1/</sup>	<u>--</u>

Multiple Family Housing Credit Sales

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Idaho	\$700	--	--	--
Illinois	410	--	--	--
Michigan	--	\$175	--	--
Total Avail./Est.	<u>\$1,110</u>	<u>\$175</u>	<u>--</u>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Farm Labor Housing Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013 Estimate</u>
Total Avail./Est.	--	--	\$27,188 <u>1/</u>	\$25,969 <u>1/</u>

Farm Labor Housing Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013 Estimate</u>
Total Avail./Est.	--	--	\$9,259 <u>1/</u>	\$8,868 <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
RURAL HOUSING INSURANCE FUND

Classification by Objects

	<u>FY 2010 Actual</u>	<u>FY 2011 Actual</u>	<u>FY 2012 Estimated</u>	<u>FY 2013 Estimated</u>
Other Objects:				
25 Other purchases of goods and services from government accounts....	\$468,593,000	\$453,474,234	\$430,800,000	\$408,127,000
41 Grants, subsidies, and contributions.....	<u>307,718,563</u>	<u>100,764,044</u>	<u>84,535,130</u>	<u>60,317,000</u>
Total direct obligations.....	<u><u>776,311,563</u></u>	<u><u>554,238,278</u></u>	<u><u>515,335,130</u></u>	<u><u>468,444,000</u></u>

## RURAL HOUSING SERVICE

## FARM LABOR PROGRAM ACCOUNT

Summary of Increases and Decreases  
(Dollars in thousands)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Change</u>	<u>2012</u> <u>Change</u>	<u>2013</u> <u>Change</u>	<u>2013</u> <u>Estimate</u>
Discretionary Appropriations:					
Direct farm labor housing loans.....	\$9,873	-\$20	-\$9,853	\$0	\$0
Domestic farm labor housing grants.....	<u>9,873</u>	<u>-20</u>	<u>-9,853</u>	<u>-</u>	<u>0</u>
Total, Appropriation or Change.....	<u><u>19,746</u></u>	<u><u>-40</u></u>	<u><u>-19,706</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

**PROJECT STATEMENT**  
(On basis of appropriated/supportable loan level, subsidy, and grants)  
(Dollars in thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$15,218	\$5,500	\$40,498	\$15,543	\$0	\$0	\$0	\$0	\$0	\$0
Domestic farm labor housing grants.....	9,873	9,873	15,676	15,676	0	0	0	0	0	0
Total Available or Estimate.....	25,091	15,373	56,174	31,219	0	0	0	0	0	0
Recovery of prior year obligations.....	-9,713	-7,229	-3,579	-3,524	0	0	0	0	0	0
Unobligated balance, start of year.....	-2,022	-731	-22,785	-12,333	0	0	0	0	0	0
Unobligated balance, end of year.....	23,836	12,333	0	0	0	0	0	0	0	0
Transferred to Rural Housing Insurance Fund account, unobligated balance, end of year.....	0	0	5,716	4,344	0	0	0	0	0	0
Rescission a/.....	0	0	71	39	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>37,192</b>	<b>19,746</b>	<b>35,597</b>	<b>19,746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOTE: Staff Years are reflected in the Salaries and Expenses Project Statement. Numbers may not add due to rounding.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(Dollars in thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$15,218	\$5,500	\$40,498	\$15,543	\$0	\$0	\$0	\$0	\$0	\$0
Domestic farm labor housing grants.....	9,873	9,873	15,676	15,676	0	0	0	0	0	0
Total Available or Estimate.....	25,091	15,373	56,174	31,219	0	0	0	0	0	0
Recovery of prior year obligations.....	-9,713	-7,229	-3,579	-3,524	0	0	0	0	0	0
Unobligated balance, start of year.....	-2,022	-731	-22,785	-12,333	0	0	0	0	0	0
Unobligated balance, end of year.....	23,836	12,333	0	0	0	0	0	0	0	0
Transferred to Rural Housing Insurance Fund account, unobligated balance, end of year.....	0	0	5,716	4,344	0	0	0	0	0	0
Rescission a/.....	0	0	71	39	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>37,192</b>	<b>19,746</b>	<b>35,597</b>	<b>19,746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOTE: Staff Years are reflected in the Salaries and Expenses Project Statement. Numbers may not add due to rounding.

a/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Farm Labor Housing Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Arizona	--	\$599	--	--
Arkansas	\$1,028	539	--	--
California	6,128	19,249	--	--
Connecticut	250			
Florida	--	2,250	--	--
Hawaii	--	6,000	--	--
Illinois	--	188	--	--
Iowa	217	165	--	--
Massachusetts	117	--	--	--
Michigan	393	--	--	--
Mississippi		2,082	--	--
New Mexico		1,707	--	--
Oregon	2,987	1,963	--	--
Texas	1,200	1,078	--	--
Vermont	54	52	--	--
Washington	2,037	4,477	--	--
Wisconsin	323	150	--	--
Puerto Rico	483	--		
Total Avail./Est.	<u>\$15,218</u>	<u>\$40,498</u>	<u>--</u>	<u>--</u>

Farm Labor Housing Grants

		<u>2011</u>	<u>2012</u>	<u>2013</u>
California	\$1,143	--	--	--
Florida	--	\$750	--	--
Massachusetts	1,057	--	--	--
Oregon	2,278	1,765	--	--
Texas	1,800	9,703	--	--
Washington	3,595	1,523	--	--
Puerto Rico	--	1,935	--	--
Total Avail./Est.	<u>\$9,873</u>	<u>\$15,676</u>	<u>--</u>	<u>--</u>

## RURAL HOUSING SERVICE

## FARM LABOR PROGRAM ACCOUNT

Classification by Objects  
(Dollars in thousands)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Other Objects:				
41 Grants, subsidies, and contributions.....	<u>\$15,373</u>	<u>\$31,219</u>	<u>\$0</u>	<u>\$0</u>
Total direct obligations.....	<u>15,373</u>	<u>31,219</u>	<u>0</u>	<u>0</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Multi-family Housing Revitalization Program Account

For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949, but notwithstanding subsection (b) of such section, and for additional costs to conduct a demonstration program for the preservation and revitalization of multi-family rental housing properties described in this paragraph, [~~\$13,000,000~~]\$46,942,000, to remain available until expended: *Provided*, That of the funds made available under this heading, [~~\$11,000,000~~]\$12,575,000 shall be available for rural housing vouchers to any low-income household (including those not receiving rental assistance) residing in a property financed with a section 515 loan which has been prepaid after September 30, 2005: *Provided further*, That the amount of such voucher shall be the difference between comparable market rent for the section 515 unit and the tenant paid rent for such unit: *Provided further*, That funds made available for such vouchers shall be subject to the availability of annual appropriations: *Provided further*, That the Secretary shall, to the maximum extent practicable, administer such vouchers with current regulations and administrative guidance applicable to section 8 housing vouchers administered by the Secretary of the [Department of the Department of the] Department of Housing and Urban Development: *Provided further*, That if the Secretary determines that the amount made available for vouchers in this or any other Act is not needed for vouchers, the Secretary may use such funds for the demonstration program for the preservation and revitalization of multi-family rental housing properties described in this paragraph: *Provided further*, That of the funds made available under this heading, [~~\$2,000,000~~]\$34,367,000 shall be available for a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties to restructure existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing for low-income residents and farm laborers including reducing or eliminating interest; deferring loan payments, subordinating, reducing or reamortizing loan debt; and other financial assistance including advances, payments and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary: *Provided further*, That the Secretary shall as part of the preservation and revitalization agreement obtain a restrictive use agreement consistent with the terms of the restructuring: *Provided further*, That if the Secretary determines that additional funds for vouchers described in this paragraph are needed, funds for the preservation and revitalization demonstration program may be used for such vouchers: *Provided further*, That if Congress enacts legislation to permanently authorize a multi-family rental housing loan restructuring program similar to the demonstration program described herein, the Secretary may use funds made available for the demonstration program under this heading to carry out such

1 legislation with the prior [approval of]notification to the Committees on Appropriations of both Houses of Congress: *Provided further*, That in addition to any other available funds, the Secretary may expend not more than \$1,000,000 total, from the program funds made available under this heading, for administrative expenses for activities funded under this heading.

The change revises the wording from “approval of” to “notification to” which makes the program transfer requirements conform with similar language for other programs.

## RURAL HOUSING SERVICE

Analysis of Change in AppropriationMULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

(On basis of loan levels, subsidies, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2012.....	\$0	\$0	\$13,000,000 *
Budget Estimate, 2013 .....	50,999,977	30,700,000	16,242,000 **
Change from 2012 Appropriations.....	<u>50,999,977</u>	<u>30,700,000</u>	<u>3,242,000</u>

\*\$11 million for vouchers; \$2 million for grants

\*\*\$12.575 million for vouchers; \$3.667 for grants

## RURAL HOUSING SERVICE

## MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Summary of Increases and Decreases  
(Dollars in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2013</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Discretionary Appropriations:					
Rural housing voucher program and administrative expenses.....	\$16,400	-\$2,428	-\$2,972	+\$1,575 (1)	\$12,575
Multi-family housing revitalization zero percent (sec. 515) .....	11,500	-4,530	-6,970	+11,700 (4)	11,700
Multi-family housing revitalization soft seconds (sec. 515) .....	5,500	500	-6,000	+19,000	19,000
Multi-family housing revitalization grants (sec. 515) .....	8,000	-6,000	-	+1,667 (3)	3,667
Multi-family housing revitalization demo revolving fund .....	<u>1,791</u>	<u>-793</u>	<u>-998</u>	<u>-</u>	<u>0</u>
Total, Appropriation or Change.....	<u><u>43,191</u></u>	<u><u>-13,251</u></u>	<u><u>-16,940</u></u>	<u><u>33,942</u></u>	<u><u>46,942</u></u>

**PROJECT STATEMENT - CURRENT LAW**  
(On basis of supportable loan level and appropriated subsidy and grants)  
(Dollars in thousands)

	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/ BA								
Rural housing voucher program and administrative expenses....	\$10,709	\$10,709	\$10,769	\$10,769	\$11,000	\$11,000	\$1,575 (1)	\$1,575	\$12,575	\$12,575
Multi-family housing revitalization modifications (Sec.515).....	0	10,246	0	2,115	0	0	0	0	0	0
Multi-family housing revitalization zero percent (Sec.515).....	4,560	1,740	4,617	2,086	0	0	20,075 (2)	11,700 (3)	20,075	11,700
Multi-family housing revitalization soft seconds (Sec. 515).....	19,744	14,385	10,310	6,465	0	0	30,924 (2)	19,000 (3)	30,924	19,000
Multi-family housing revitalization soft seconds (Sec. 515) 2008 disasters emergency supplemental c/.....	3,081	2,245	0	0	0	0	0	0	0	0
Multi-family housing revitalization grants (Sec. 515).....	293	293	127	127	2,000	2,000	1,667 (2)	1,667 (3)	3,667	3,667
Multi-family housing preservation demo revolving loan fund....	2,000	558	8,125	3,359	0	0	0	0	0	0
Total Available or Estimate.....	40,388	40,177	33,950	24,923	13,000	13,000	\$54,242	\$33,942	67,242	46,942
Recovery of prior year obligations.....	-546	-546	-2,627	-2,627	0	0	0	0	0	0
Unobligated balance start of year.....	-32,809	-20,957	-32,145	-24,517	0	0	0	0	0	0
Unobligated balance end of year.....	61,474	24,517	38,688	26,646	0	0	0	0	0	0
Unobligated balance rescinded b/.....	0	0	5,515	5,515	0	0	0	0	0	0
Rescission a/.....	0	0	87	60	0	0	0	0	0	0
Total Appropriation.....	68,507	43,191	43,468	30,000	13,000	13,000	54,242	33,942	67,242	46,942

NOTE: Staff Years are reflected in the Salaries and Expenses Project Statement. Numbers may not add due to rounding.

**PROJECT STATEMENT - CURRENT LAW**  
(On basis of available supportable loan level, subsidy, and grants)  
(Dollars in thousands)

	2010 Actual		2011 Actual		2012 Estimate		Change		2013 Estimate	
	Program Level	Subsidy/ BA								
Rural housing voucher program and administrative expenses....	\$10,709	\$10,709	\$10,769	\$10,769	\$24,147	\$24,147	-\$11,572	-\$11,572	\$12,575	\$12,575
Multi-family housing revitalization modifications (Sec.515).....	0	10,246	0	2,115	0	1,190	0	-1,190	0	0
Multi-family housing revitalization zero percent (Sec.515).....	4,560	1,740	4,617	2,086	8,944	4,855	11,131	6,845	20,075	11,700
Multi-family housing revitalization soft seconds (Sec. 515).....	19,744	14,385	10,310	6,465	4,661	2,878	26,263	16,122	30,924	19,000
Multi-family housing revitalization soft seconds (Sec. 515) 2008 disasters emergency supplemental c/.....	3,081	2,245	0	0	0	0	0	0	0	0
Multi-family housing revitalization grants (Sec. 515).....	293	293	127	127	3,666	3,666	1	1	3,667	3,667
Multi-family housing preservation demo revolving loan fund....	2,000	558	8,125	3,359	7,899	2,910	-7,899	-2,910	0	0
Total Available or Estimate.....	40,388	40,177	33,950	24,923	49,317	39,646	17,924	7,296	67,242	46,942
Recovery of prior year obligations.....	-546	-546	-2,627	-2,627	0	0	0	0	0	0
Unobligated balance start of year.....	-32,809	-20,957	-32,145	-24,517	-36,317	-26,646	36,317	26,646	0	0
Unobligated balance end of year.....	61,474	24,517	38,688	26,646	0	0	0	0	0	0
Unobligated balance rescission b/.....	0	0	5,515	5,515	0	0	0	0	0	0
Rescission a/.....	0	0	87	60	0	0	0	0	0	0
Total Appropriation.....	68,507	43,191	43,468	30,000	13,000	13,000	54,242	33,942	67,242	46,942

NOTE: Staff Years are reflected in the Salaries and Expenses Project Statement. Numbers may not add due to rounding.

Project Statement Footnotes:

- a/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L.112-10.
- b/ Natural disaster unobligated available, rescinded in accordance with the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- c/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329 in the amount of \$40 million.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) An increase of \$1,575,000 in the multi-family rural housing vouchers program (\$11,000,000 available in 2012).

The rural housing voucher program has grown steadily in voucher use by tenants of former Rural Development-financed properties where the mortgage was prepaid after September 30, 2005, or the agency took foreclosure action. This increase will enable voucher renewals and new voucher issuance for former Rural Development tenants. The increase will allow funding of vouchers for 486 additional former tenants.

- (2) An increase of \$52,667,000 in the multi-family housing preservation pilot program level (\$2,000,000 available in 2012).

USDA will utilize funding in the multi-family preservation and revitalization (MPR) demonstration program for rehabilitation and repair of the aging section 515 loan portfolio. The MPR program has flexible funding tools that enable properties with varying needs to employ differing strategies to re-gain financial footing and continue to provide affordable housing for rural low-income residents. The strategies implemented include reducing or eliminating interest; deferring loan payments; subordinating, reducing, or reamortizing loan debt; and other financial assistance including advances, payments and incentives.

For 2013 budget planning purposes, place holder estimates have been provided in the different loan and grant risk categories for these strategies. However, these levels are estimates and are not binding. Actual funding for each strategy will be based on the demand and restructuring needs of each project approved for funding. For the 2013 budget, there is a commitment of \$34.4 million for preservation activities, which is expected to be leveraged into a greater amount of assistance based on how it is disbursed between the various strategies approved under the pilot program. No funding was provided for 515 multi-family housing construction loans because the focus of the 2013 budget for multi-family housing is portfolio management, which USDA has found to be achieved more efficiently through the revitalization strategies rather than 515 rehabilitation loans.

In addition, the 2013 budget supports a legislative proposal to codify the pilot program authorities that have been in place since 2006. Permanent authorization will allow for formal regulations and better oversight of these funds in the future.

- (3) An increase of \$32,367,000 in the multi-family housing preservation pilot subsidy level (\$2,000,000 available in 2012).

For the 2013 budget, there is a commitment of \$34,367,000 for preservation activities, which is expected to be leveraged into a greater amount of assistance based on how it is disbursed between the various strategies approved under the pilot program. No funding was provided for 515 multi-family housing construction loans because the focus of the 2013 budget for multi-family housing is portfolio management.

RURAL HOUSING SERVICE

MULTI-FAMILY HOUSING REVITALIZATION PROGRAM

LEGISLATIVE PROPOSAL FOR 515 REVITALIZATION AND PRESERVATION ACCOUNT

	2013		
	Current <u>Law</u>	Program <u>Changes</u>	President's <u>Request</u>
Section 515 -- Demonstration Program			
No Budgetary Impact			

Explanation of Proposed Legislation

This proposal would provide permanent authorization to Rural Development to utilize all revitalization tools currently available within the Multi-Family Preservation and Revitalization (MPR) demonstration program. Use of MPR tools within the Section 515 program will provide the agency flexible financial tools to help preserve its existing Section 515 project portfolio at a reduced subsidy rate, stretching agency dollars and preserving more 515 projects and units.

The Section 515 direct loan program does not contain authority to utilize many of the revitalization tools available in the MPR demonstration program. The MPR demonstration program is not currently contained in the statute, and the agency risks not having these critical tools to provide financial support for existing multi-family housing in need of preservation and revitalization if the MPR demonstration program is not re-authorized and the authority for these tools is not added to the direct loan program. Adding authority for current MPR tools to existing direct loan statutory authority would provide financing flexibility not currently available in the direct loan program.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Housing Voucher Program

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$66	\$62	--	--
Alaska	35	28	--	--
Arizona	3	3	--	--
Arkansas	15	40	--	--
California	19	16	--	--
Colorado	21	43	--	--
Delaware	--	112	--	--
Florida	1,052	887	--	--
Georgia	397	350	--	--
Idaho	216	168	--	--
Illinois	258	272	--	--
Indiana	80	132	--	--
Iowa	438	428	--	--
Kansas	9	51	--	--
Kentucky	45	41	--	--
Louisiana	12	13	--	--
Maine	189	116	--	--
Maryland	8	38	--	--
Massachusetts	--	4	--	--
Michigan	214	403	--	--
Minnesota	222	416	--	--
Mississippi	--	799	--	--
Missouri	447	--	--	--
Montana	46	191	--	--
Nebraska	132	139	--	--
Nevada	3	3	--	--
New Hampshire	88	86	--	--
New Jersey	339	304	--	--
New Mexico	215	188	--	--
New York	471	347	--	--
North Carolina	154	205	--	--
North Dakota	135	120	--	--
Ohio	93	84	--	--
Oklahoma	46	241	--	--
Oregon	104	71	--	--
Pennsylvania	23	16	--	--
South Carolina	374	454	--	--
South Dakota	46	131	--	--
Tennessee	153	167	--	--
Texas	460	662	--	--
Utah	29	15	--	--
Virginia	8	33	--	--
Washington	85	212	--	--
West Virginia	--	4	--	--
Wisconsin	361	348	--	--
Wyoming	167	123	--	--
Puerto Rico	11	11	--	--
Administrative Expenses	<u>3,420</u>	<u>2,193</u>	<u>\$1,514</u>	<u>\$1,000</u>
Total Avail./Est.	<u><u>\$10,709</u></u>	<u><u>\$10,769</u></u>	<u><u>\$24,147</u></u> <sup>1/</sup>	<u><u>\$12,575</u></u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Multi-Family Housing Revitalization Zero Percent Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Connecticut	\$330	--	--	--
Florida	--	\$422	--	--
Georgia	333	510	--	--
Hawaii	--	312	--	--
Kansas	387	1,390	--	--
Kentucky	--	781	--	--
Missouri	854	--	--	--
New Hampshire	1,199	261	--	--
Ohio	53	1,902	--	--
North Dakota	--	550	--	--
South Carolina	268	--	--	--
Texas	695	79	--	--
Vermont	441	--	--	--
Virginia	--	313	--	--
Total Avail./Est.	<u>\$4,560</u>	<u>\$6,520</u>	<u>\$8,944</u> <sup>1/</sup>	<u>\$20,075</u> <sup>1/</sup>

Multi-Family Housing Revitalization Soft Second Loans

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$72	--	--	--
Arizona	--	\$13	--	--
California	1,106	--	--	--
Florida	181	594	--	--
Georgia	1,656	--	--	--
Idaho	--	404	--	--
Illinois	116	651	--	--
Indiana	377	--	--	--
Iowa	1	--	--	--
Kansas	152	1,340	--	--
Kentucky	--	376	--	--
Louisiana	2,293	--	--	--
Maine	1,855	494	--	--
Michigan	4,090	--	--	--
Minnesota	127	3,022	--	--
Missouri	299	--	--	--
Nebraska	1,971	--	--	--
New Hampshire	575	710	--	--
New York	1,678	--	--	--
North Carolina	412	--	--	--
North Dakota	271	167	--	--
Ohio	--	340	--	--
South Dakota	1,875	72	--	--
Tennessee	--	724	--	--
Vermont	192	--	--	--
Virginia	--	729	--	--
Washington	--	674	--	--
Wisconsin	400	--	--	--
Wyoming	44	--	--	--
Total Avail./Est.	<u>\$19,744</u>	<u>\$10,310</u>	<u>\$4,661</u> <sup>1/</sup>	<u>\$30,924</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Multi-Family Housing Revitalization Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Arizona	--	\$71	--	--
Kansas	--	19	--	--
Missouri	\$117	--	--	--
New Jersey	50	--	--	--
North Dakota	33	--	--	--
South Dakota	93	--	--	--
Texas	--	37	--	--
Total Avail./Est.	<u>\$293</u>	<u>\$127</u>	<u>\$3,666</u> <sup>1/</sup>	<u>\$3,667</u> <sup>1/</sup>

Multi-Family Housing Preservation Demonstration Revolving Loan Fund

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Arkansas	--	\$2,125	--	--
Maine	--	750	--	--
Oregon	--	2,125	--	--
Pennsylvania	\$2,000	--	--	--
Utah	--	1,000	--	--
Virginia	--	2,125	--	--
Total Avail./Est.	<u>\$2,000</u>	<u>\$8,125</u>	<u>\$7,899</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Multi-Family Housing Revitalization Soft Second Loans  
2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012</u>	<u>2013</u>
Louisiana	\$2,397	--	--	--
Ohio	<u>685</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u><u>\$3,081</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>

## RURAL HOUSING SERVICE

## MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Classification by Objects  
(Dollars in thousands)

Other Objects:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
41 Grants, subsidies, and contributions.....	<u>\$40,177</u>	<u>\$24,923</u>	<u>\$39,646</u>	<u>\$46,942</u>
Total direct obligations.....	<u><u>40,177</u></u>	<u><u>24,923</u></u>	<u><u>39,646</u></u>	<u><u>46,942</u></u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rental Assistance Program

- For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, [~~\$904,653,000~~]\$907,128,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this
- 1 amount not less than [~~\$1,500,000~~] is available for newly constructed units financed by section 515 of the Housing Act of 1949, and not less than \$2,500,000 [~~\$3,000,000~~] is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949: *Provided further*, That rental assistance agreements entered into or renewed during the current fiscal year shall be funded for a 1-year period: *Provided further*, That any unexpended balances remaining at the end of such one-year agreements may be transferred and used for the purposes of any debt reduction; maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act: *Provided further*, That rental assistance
- 2 provided under agreements entered into prior to fiscal year [~~2012~~]2013 for a farm labor multi-family housing project financed under section 514 or 516 of the Act may not be recaptured for use in another project until such assistance has remained unused for a period of 12 consecutive months, if such project has a waiting list of tenants seeking such assistance or the project has rental assistance eligible tenants who are not receiving such assistance: *Provided further*, That such recaptured rental assistance shall, to the extent practicable, be applied to another farm labor multi-family housing project financed under section 514 or 516 of the Act.

The first change removes set-aside for newly constructed units financed under section 515 of the Housing Act of 1949 which is not required as no funding is proposed for the section 515 direct rural rental housing program in 2013.

The second change modifies the fiscal year from 2012 to 2013.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RENTAL ASSISTANCE PROGRAM

Appropriations Act, 2012.....	\$904,653,000
Budget Estimate, 2013.....	<u>907,128,000</u>
Change from 2012 Appropriation.....	<u><u>2,475,000</u></u>

## RURAL HOUSING SERVICE

## RENTAL ASSISTANCE PROGRAM

Summary of Increases and Decreases  
(Dollars in thousands)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Change</u>	<u>2012</u> <u>Change</u>	<u>2013</u> <u>Change</u>	<u>2013</u> <u>Estimate</u>
Discretionary Appropriations:					
Rental assistance (sec. 521).....	\$968,612	-\$19,908	-\$48,051	+\$3,475 (1)	\$904,128
Rental assistance - new construction (sec. 515) .....	2,030	-4	-526	-1,500 (2)	0
Rental assistance - new construction (sec. 514/516) .....	3,400	-406	-494	+500 (3)	3,000
Rental Assistance (sec. 502).....	<u>5,958</u>	<u>-5,958</u>	<u>-</u>	<u>-</u>	<u>0</u>
Total, Appropriation or Change.....	<u><u>980,000</u></u>	<u><u>-26,276</u></u>	<u><u>-49,071</u></u>	<u><u>2,475</u></u>	<u><u>907,128</u></u>

**PROJECT STATEMENT**  
(On basis of appropriation)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Rental assistance (sec 521).....	\$973,698	\$948,703	\$900,653	\$3,475 (1)	\$904,128
Rental assistance - new construction (sec. 515) .....	2,343	2,026	1,500	-1,500 (2)	0
Rental assistance - new construction (sec. 514/516) .....	2,889	2,981	2,500	500 (3)	3,000
Total Available or Estimate.....	978,930	953,710	904,653	2,475	907,128
Unobligated balance start of year .....	-278	0	0	0	0
Unobligated balance expiring .....	1,348	14	0	0	0
Rescission a/.....	0	1,911	0	0	0
Total Appropriation.....	980,000	955,635	904,653	2,475	907,128

NOTE: Staff years are reflected in the Salaries and Expenses Project Statement.

**PROJECT STATEMENT**  
(On basis of available/supportable loan levels, subsidies, and grants)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Rental assistance (sec 521).....	\$973,698	\$948,703	\$900,653	\$3,475	\$904,128
Rental assistance - new construction (sec. 515) .....	2,343	2,026	1,500	-1,500	0
Rental assistance - new construction (sec. 514/516) .....	2,889	2,981	2,500	500	3,000
Total Available or Estimate.....	978,930	953,710	904,653	2,475	907,128
Unobligated balance start of year .....	-278	0	0	0	0
Unobligated balance expiring .....	1,348	14	0	0	0
Rescission a/.....	0	1,911	0	0	0
Total Appropriation.....	980,000	955,635	904,653	2,475	907,128

NOTE: Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.

JUSTIFICATIONS OF INCREASES AND DECREASE

- (1) An increase of \$3,475,000 in section 521 rental assistance program grants (\$900,653,000 available in 2012).

The requested amount is what rural housing service needs to renew contracts the agency anticipates will require funding in 2013. At 2013 funding levels, 207,489 rental assistance units will be renewed. The proposed funding includes \$3,000,000 for rental assistance units for section 514 farm labor housing program new construction projects.

Rental assistance provides an additional source of support for households with incomes too low to pay basic rent. This level of funding will allow USDA to continue to provide this needed support in rural communities.

RHS expects to be able to provide a more refined funding estimate for rental assistance grants in the future with the re-proposal of legislation to gain authorities for USDA's RHS staff to have access to Health and Human Service's National Database of New Hires, as well as, Internal Revenue Service data, similar to what the Housing and Urban Development has for its project based rent programs. This will help reduce improper payments in all its means-tested programs, but especially rental assistance grants. For 2013, this proposal is considered officially with the Budget.

- (2) A decrease of \$1,500,000 in section 521 rental assistance for section 515 new construction (\$1,500,000 available in 2012).

The 2013 budget does not include funding for section 515 new construction loans. All new construction will be done for section 514/516 farm labor housing. USDA plans to shift its focus in the 2013 budget to portfolio management, through the rehabilitation and repair of the section 515 loan portfolio under the multi-family preservation and revitalization demonstration program.

- (3) An increase of \$500,000 in section 521 rental assistance for section 514/516 farm labor (\$2,500,000 available in 2012).

In line with the funding increase for the section 514/516 new construction projects, \$500,000 in additional farm labor rental assistance will be provided. The funding should address the needed funding traditionally provided through set-aside funding. The increased rental assistance will provide support for farm worker families with incomes too low to otherwise obtain affordable housing, and will be provided in combination with the construction or revitalization of 1,781 units of farm labor housing through the 514/516 programs.

RURAL HOUSING SERVICE

RENTAL ASSISTANCE PROGRAM

SUMMARY OF INCREASE - PROPOSED LEGISLATION

	2013		
	<u>Current</u> <u>Law</u>	<u>Program</u> <u>Changes</u>	<u>President's</u> <u>Request</u>
New Hires Database			
No Budgetary Impact	0	0	0

Explanation of Proposed Legislation

This proposal would add the Rural Housing Service to the list of agencies permitted to utilize the U.S. Department of Health and Human Services' National Directory of New Hires Database. This will require an amendment to the Social Security Act.

Giving this access to RHS will provide the ability to obtain accurate income and employment information to assist in managing the Multi-Family Housing Programs' loan portfolio and the Single Family Housing Direct Loan Program. This will ensure that the agency is providing the appropriate amount of housing subsidy related to the applicant's income.

Tenants who live in properties financed through Multifamily Housing Programs' Section 515 Director Loans and Section 514 Farm Labor Housing Loan Programs are required to disclose all income sources and annually update a certification of their income. In addition, if income or employment circumstances change substantially, the tenant is required to immediately re-certify their income by providing current employment and income information. Multifamily Housing Programs' Borrowers and property managers collect this information to establish the amount of rent to charge a tenant and to substantiate their request for payment of Rental Assistance.

The Social Security Act enables the US Department of Housing and Urban Development (HUD) to match multifamily tenant income and employment information against a nation-wide database. The purpose of this "wage matching" is to ensure that appropriate housing subsidy is provided on behalf of the tenant. This is now the primary income verification system used by HUD, its public housing authorities, and multi-family property owners and management agents. Utilization of the program has substantially reduced the instances of improper subsidy payment errors. The Social Security Act, at section 453(j), gives the same comparison ability to the Departments of Education, Treasury, Labor, Veteran's Affairs, and the USDA's Supplemental Nutrition Assistance Program.

The Federal Office of Child Support Enforcement (OCSE) operates the National Directory of New Hires (NDNH), a database established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The primary purpose of the NDNH is to assist state child support agencies in locating parents and enforcing child support orders; however, Congress has authorized specific

state and federal agencies to receive information from the NDNH for authorized purposes. OCSE receives numerous requests for information in the NDNH or for comparisons of NDNH information with other information for various purposes. Title IV-D of the Social Security Act, which governs the NDNH, specifies the entities authorized to request specified NDNH information and the purposes for which the information may be requested.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Rental Assistance Programs

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$27,134	\$28,669	--	--
Alaska	5,171	5,826	--	--
Arizona	14,309	11,416	--	--
Arkansas	20,225	20,274	--	--
California	70,098	68,859	--	--
Colorado	11,909	11,971	--	--
Connecticut	7,356	7,037	--	--
Delaware	6,549	6,316	--	--
Florida	52,433	43,258	--	--
Georgia	23,345	25,046	--	--
Hawaii	5,939	5,817	--	--
Idaho	14,994	13,227	--	--
Illinois	23,769	22,525	--	--
Indiana	21,575	18,190	--	--
Iowa	19,241	19,633	--	--
Kansas	9,113	9,232	--	--
Kentucky	15,439	14,731	--	--
Louisiana	35,744	29,264	--	--
Maine	29,662	24,277	--	--
Maryland	17,058	13,463	--	--
Massachusetts	8,882	7,208	--	--
Michigan	30,053	30,139	--	--
Minnesota	14,595	19,431	--	--
Mississippi	38,846	35,689	--	--
Missouri	16,753	18,957	--	--
Montana	5,378	6,441	--	--
Nebraska	7,086	5,840	--	--
Nevada	7,961	10,456	--	--
New Hampshire	12,018	7,787	--	--
New Jersey	8,817	9,419	--	--
New Mexico	13,517	13,091	--	--
New York	20,291	20,343	--	--
North Carolina	60,479	56,958	--	--
North Dakota	4,462	4,181	--	--
Ohio	22,165	23,642	--	--
Oklahoma	18,353	18,371	--	--
Oregon	16,127	17,402	--	--
Pennsylvania	25,533	20,939	--	--
Rhode Island	2,072	1,634	--	--
South Carolina	26,426	27,623	--	--
South Dakota	10,189	12,940	--	--
Tennessee	22,315	22,496	--	--
Texas	40,039	47,268	--	--
Utah	6,688	7,259	--	--
Vermont	8,284	6,740	--	--
Virginia	21,438	22,712	--	--
Washington	26,144	24,421	--	--
West Virginia	11,953	9,843	--	--
Wisconsin	13,904	17,724	--	--
Wyoming	4,268	4,480	--	--
Puerto Rico	17,905	17,662	--	--
Virgin Islands	4,926	5,583	--	--
Total Avail./Est.	<u>\$978,930</u>	<u>\$953,710</u>	<u>\$904,653</u> <sup>1/</sup>	<u>\$907,128</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE  
RURAL RENTAL ASSISTANCE PROGRAM

Classification by Objects  
(Dollars in thousands)

Other Objects:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
41 Grants, subsidies, and contributions.....	<u>\$978,930</u>	<u>\$953,710</u>	<u>\$904,653</u>	<u>\$907,128</u>
Total direct obligations.....	<u>978,930</u>	<u>953,710</u>	<u>904,653</u>	<u>907,128</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Assistance Grants (including transfer of funds)

- 1, 2 For grants [and contracts ]for very low-income housing repair[, supervisory and technical assistance,  
 3 compensation for construction defects, and rural housing preservation] made by the Rural Housing  
 4 Service, as authorized by 42 U.S.C. 1474, [1479(c), 1490e, and 1490m, \$33,136,000]\$28,216,000,  
 to remain available until expended[: *Provided*, That of the total amount appropriated under this heading, the  
 amount equal to the amount of Rural Housing Assistance Grants allocated by the Secretary for Rural  
 Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for  
 communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones].

The first change removes the language for contracts as it is not being proposed for funding.

The second change removes the language for supervisory and technical assistance, compensation for construction defects, and rural housing preservation as funding are not proposed for these programs.

The third change removes authorization code references for supervisory and technical assistance, compensation for construction defects, and rural housing preservation as funding are not proposed for these programs.

The fourth change reflects the removal of the set-aside for the rural economic area partnership zones as the authorization for this program expired in 2012. These areas can be funded from the regular appropriation.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RURAL HOUSING ASSISTANCE GRANTS

Appropriations Act, 2012.....	\$33,136,000
Budget Estimate, 2013.....	<u>28,216,000</u>
Change from 2012 Appropriations.....	<u><u>-4,920,000</u></u>

## RURAL HOUSING SERVICE

## RURAL HOUSING ASSISTANCE GRANTS

Summary of Increases and Decreases  
(Dollars in thousands)

	2010 <u>Actual</u>	2011 <u>Change</u>	2012 <u>Change</u>	2013 <u>Change</u>	2013 <u>Estimate</u>
Discretionary Appropriations:					
Very low-income housing repair grants.....	\$31,600	-\$1,161	-\$939	-\$1,284 (1)	\$28,216
Compensation for construction defects.....	500	-1	-499	-	0
Section 14204 of farm bill grants*.....	4,000	-4,000	-	-	0
Rural housing preservation grants.....	<u>9,400</u>	<u>-19</u>	<u>-5,745</u>	<u>-3,636 (2)</u>	<u>0</u>
Total, Appropriation or Change.....	<u>45,500</u>	<u>-5,181</u>	<u>-7,183</u>	<u>-4,920</u>	<u>28,216</u>

\*Administration of this program has been transferred to Office of Advocacy and Outreach

PROJECT STATEMENT  
(On basis of appropriation)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Very low-income housing repair grants.....	\$31,840	\$31,244	\$29,500	-\$1,284 (1)	\$28,216
Very low-income housing repair grants 2005 hurricanes emer. suppl. <u>a</u> /.....	1,652	0	0	0	0
Housing repair grants, 2008 Disasters emergency supplemental <u>b</u> /.....	1,712	0	0	0	0
Compensation for construction defects.....	77	31	0	0	0
Rural housing preservation grants.....	10,371	10,129	3,636	-3,636 (2)	0
Processing workers housing grants.....	1,000	0	0	0	0
Total Available or Estimate.....	46,652	41,404	33,136	-4,920	28,216
Recovery of prior year obligations.....	-1,270	-1,105	0	0	0
Unobligated balance available, start of year.....	-26,680	-22,797	0	0	0
Unobligated balance available, end of year.....	22,797	3,704	0	0	0
Unobligated balance rescinded <u>c</u> /.....	0	19,113	0	0	0
Transfer of section 14204 of Farm bill Grants to Office of Advocacy and Outreach <u>e</u> /.....	4,000	0	0	0	0
Rescission <u>d</u> /.....	0	81	0	0	0
Total Appropriation.....	45,500	40,400	33,136	-4,920	28,216

NOTE: Staff-years are reflected in the Salaries and Expenses Project Statement.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Very low-income housing repair grants.....	\$31,840	\$31,244	\$29,949	-\$1,733	\$28,216
Very low-income housing repair grants 2005 hurricanes emer. suppl. <u>a</u> /.....	1,652	0	0	0	0
Housing repair grants, 2008 Disasters emergency supplemental <u>b</u> /.....	1,712	0	0	0	0
Supervisory and technical assistance grants.....	0	0	78	-78	0
Compensation for construction defects.....	77	31	541	-541	0
Rural housing preservation grants.....	10,371	10,129	4,105	-4,105	0
Processing workers housing grants.....	1,000	0	2,167	-2,167	0
<b>Total Available or Estimate.....</b>	<b>46,652</b>	<b>41,404</b>	<b>36,840</b>	<b>-8,624</b>	<b>28,216</b>
Recovery of prior year obligations.....	-1,270	-1,105	0	0	0
Unobligated balance available, start of year.....	-26,680	-22,797	-3,905	3,905	0
Unobligated balance available, end of year.....	22,797	3,704	0	0	0
Unobligated balance rescinded <u>c</u> /.....	0	19,113	201	-201	0
Transfer of section 14204 of Farm bill Grants to Office of Advocacy and Outreach <u>e</u> /.....	4,000	0	0	0	0
Rescission <u>d</u> /.....	0	81	0	0	0
<b>Total Appropriation.....</b>	<b>45,500</b>	<b>40,400</b>	<b>33,136</b>	<b>-4,920</b>	<b>28,216</b>

NOTE: Staff-years are reflected in the Salaries and Expenses Project Statement.

## Project Statement Footnotes:

- a/ Provided by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and the Pandemic Influenza Act, 2006, P.L. 109-148, signed December 30, 2005, for the purpose of serving communities affected by hurricanes that occurred during the FY 2005 calendar year. Additional appropriations were provided in P.L. 110-329 and transferred from the Rural Development Disaster Assistance Fund.
- b/ Transfer \$5 million from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, dated September 30, 2008, Division B, which provides additional amounts for authorized activities of agencies of the Rural Development Mission Area in areas affected by a disaster declared by the President or the Secretary of Agriculture.
- c/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.
- d/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.
- e/ Provided by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, P.L. 111-80, signed October 21, 2009, for grants authorized by section 14204 of the Food, Conservation, and Energy Act of 2008. This program was reorganized under the Office of Advocacy and Outreach in 2010 and the funds were transferred to the Office of Advocacy and Outreach where the program will be implemented.

JUSTIFICATIONS OF DECREASES

- (1) A decrease of \$1,284,000 in section 504 housing repair grants (\$29,500,000 available in 2012).

The small decrease in these grants is solely due to the need to shift Budget Authority slightly among RHS programs due to competing demands to maintain enacted levels, changing subsidy rates and timing of the passage of the 2012 appropriations bill. RHS expects to repair 4,779 homes belonging to very-low income rural homeowners over the age of 62 in 2013.

- (2) A decrease of \$3,636,000 in section 533 housing preservation grants (\$3,636,000 available in 2012).

No funding is requested in the 2013 Budget for the rural housing preservation grant program. USDA's preservation activities for multi-family housing are being carried out through programs in the multi-family housing revitalization account.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Very Low-Income Housing Repair Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$1,137	\$999	--	--
Alaska	138	109	--	--
Arizona	665	957	--	--
Arkansas	896	1,001	--	--
California	378	307	--	--
Colorado	300	410	--	--
Connecticut	90	66	--	--
Delaware	40	64	--	--
Florida	838	886	--	--
Georgia	1,101	1,070	--	--
Hawaii	251	93	--	--
Idaho	369	330	--	--
Illinois	915	843	--	--
Indiana	823	658	--	--
Iowa	479	409	--	--
Kansas	690	811	--	--
Kentucky	1,028	1,144	--	--
Louisiana	821	1,020	--	--
Maine	647	677	--	--
Maryland	251	166	--	--
Massachusetts	185	176	--	--
Michigan	1,125	861	--	--
Minnesota	646	523	--	--
Mississippi	1,076	1,097	--	--
Missouri	930	876	--	--
Montana	157	190	--	--
Nebraska	395	302	--	--
Nevada	152	212	--	--
New Hampshire	457	446	--	--
New Jersey	90	118	--	--
New Mexico	169	305	--	--
New York	1,020	810	--	--
North Carolina	1,534	1,588	--	--
North Dakota	387	240	--	--
Ohio	1,144	1,007	--	--
Oklahoma	728	514	--	--
Oregon	224	456	--	--
Pennsylvania	1,353	1,215	--	--
Rhode Island	50	165	--	--
South Carolina	875	994	--	--
South Dakota	243	187	--	--
Tennessee	1,016	983	--	--
Texas	2,294	2,153	--	--
Utah	225	207	--	--
Vermont	272	317	--	--
Virginia	828	848	--	--
Washington	354	425	--	--
West Virginia	607	662	--	--
Wisconsin	763	728	--	--
Wyoming	75	143	--	--
Puerto Rico	389	376	--	--
Virgin Islands	44	45	--	--
W. Pacific Areas	180	57	--	--
Total Avail./Est.	<u>\$31,840</u>	<u>\$31,244</u>	<u>\$29,949</u> <sup>1/</sup>	<u>\$28,216</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Very Low-Income Housing Grants  
2005 Hurricanes for Natural Disaster

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimated</u>	<u>2013 Estimated</u>
Alabama	\$285	--	--	--
Louisiana	295	--	--	--
Mississippi	975	--	--	--
Texas	97	--	--	--
Total Avail./Est.	<u>\$1,652</u>	<u>--</u>	<u>--</u>	<u>--</u>

Very Low-Income Housing Grants  
2008 Disasters

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimated</u>	<u>2013 Estimated</u>
Arkansas	\$355	--	--	--
Georgia	71	--	--	--
Illinois	160	--	--	--
Indiana	222	--	--	--
Iowa	92	--	--	--
Kentucky	64	--	--	--
Louisiana	188	--	--	--
Maine	9	--	--	--
Mississippi	45	--	--	--
Missouri	165	--	--	--
Nebraska	37	--	--	--
Tennessee	77	--	--	--
Texas	7	--	--	--
West Virginia	92	--	--	--
Wisconsin	128	--	--	--
Total Avail./Est.	<u>\$1,712</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Rural Housing Preservation Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$333	\$281	--	--
Alaska	54	50	--	--
Arizona	163	147	--	--
Arkansas	211	190	--	--
California	715	800	--	--
Colorado	77	69	--	--
Connecticut	50	50	--	--
Delaware	50	50	--	--
Florida	100	200	--	--
Georgia	353	568	--	--
Hawaii	72	65	--	--
Idaho	68	61	--	--
Illinois	255	215	--	--
Indiana	197	178	--	--
Iowa	184	217	--	--
Kansas	152	95	--	--
Kentucky	388	287	--	--
Louisiana	289	261	--	--
Maine	83	100	--	--
Maryland	80	72	--	--
Massachusetts	72	65	--	--
Michigan	272	245	--	--
Minnesota	153	138	--	--
Mississippi	325	262	--	--
Missouri	262	203	--	--
Montana	107	61	--	--
Nebraska	65	59	--	--
Nevada	100	100	--	--
New Hampshire	100	100	--	--
New Jersey	110	100	--	--
New Mexico	131	118	--	--
New York	255	287	--	--
North Carolina	450	370	--	--
North Dakota	100	136	--	--
Ohio	315	284	--	--
Oklahoma	262	249	--	--
Oregon	130	167	--	--
Pennsylvania	337	304	--	--
Rhode Island	50	--	--	--
South Carolina	246	221	--	--
South Dakota	55	100	--	--
Tennessee	379	305	--	--
Texas	698	629	--	--
Utah	50	100	--	--
Vermont	175	400	--	--
Virginia	243	219	--	--
Washington	159	144	--	--
West Virginia	227	197	--	--
Wisconsin	171	154	--	--
Wyoming	50	50	--	--
Puerto Rico	450	405	--	--
Total Avail./Est.	<u>\$10,371</u>	<u>\$10,129</u>	<u>\$4,105</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Compensation for Construction Defects Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Colorado	--	\$22	--	--
Georgia	\$14	--	--	--
Maryland	4	--	--	--
Michigan	--	3	--	--
Mississippi	49	--	--	--
Ohio	6	--	--	--
	--	--	--	--
Tennessee	--	6	--	--
West Virginia	5	--	--	--
Total Avail./Est.	<u>\$77</u>	<u>\$31</u>	<u>\$541</u> <sup>1/</sup>	<u>--</u>

Supervisory and Technical Assistance Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Total Avail./Est.	<u>--</u>	<u>--</u>	<u>\$78</u> <sup>1/</sup>	<u>--</u>

Processing Workers Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Utah	\$1,000	--	--	--
Total Avail./Est.	<u>\$1,000</u>	<u>--</u>	<u>\$2,167</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

27-86

RURAL HOUSING SERVICE

RURAL HOUSING ASSISTANCE GRANTS

Classification by Objects  
(Dollars in thousands)

Other Objects:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
41 Grants, subsidies, and contributions.....	<u>\$46,652</u>	<u>\$41,404</u>	<u>\$36,840</u>	<u>\$28,216</u>
Total direct obligations.....	<u>46,652</u>	<u>41,404</u>	<u>36,840</u>	<u>28,216</u>

## RURAL HOUSING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Mutual and Self-Help Housing Grants

- 1 For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), [~~\$30,000,000~~]\$10,000,000, to remain available until expended]: *Provided*, That of the total amount appropriated under this heading, the amount equal to the amount of Mutual and Self-Help Housing Grants allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones].

The change reflects the removal of the set-aside for the rural economic area partnership zones as the authorization for this program expired in 2012. These areas can be funded from the regular appropriation.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations Act, 2012 .....	\$30,000,000
Budget Estimate, 2013.....	<u>10,000,000</u>
Change from 2012 Appropriations.....	<u><u>-20,000,000</u></u>

## RURAL HOUSING SERVICE

## MUTUAL AND SELF-HELP HOUSING GRANTS

SUMMARY OF INCREASES AND DECREASES

(Dollars in thousands)

	<u>2010</u> Actual	<u>2011</u> Change	<u>2012</u> Change	<u>2013</u> Change	<u>2013</u> Estimate
Discretionary Appropriations:					
Mutual and self-help housing grants.....	\$41,864	-\$4,938	-\$6,926	-\$20,000 (1)	\$10,000
Total, Appropriation or Change.....	<u>41,864</u>	<u>-4,938</u>	<u>-6,926</u>	<u>-20,000</u>	<u>10,000</u>

**PROJECT STATEMENT**  
(On basis of appropriation)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Mutual and self-help housing grants.....	\$42,686	\$34,337	\$30,000	-\$20,000 (1)	\$10,000
Total Available or Estimate.....	42,686	34,337	30,000	-20,000	10,000
Recovery of prior year obligations.....	-825	-1,023	0	0	0
Unobligated balance available, end of year.....	-14,522	-14,525	0	0	0
Unobligated balance available, start of year.....	14,525	18,137	0	0	0
Rescission <u>a/</u> .....	0	74	0	0	0
Total Appropriation.....	41,864	37,000	30,000	-20,000	10,000

NOTE: Staff years are reflected in the Salaries and Expenses Project Statement.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(Dollars in thousands)

Item of Change	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Mutual and self-help housing grants.....	\$42,686	\$34,337	\$48,137	-\$38,137	\$10,000
Total Available or Estimate.....	42,686	34,337	48,137	-38,137	10,000
Recovery of prior year obligations.....	-825	-1,023	0	0	0
Unobligated balance available, end of year.....	-14,522	-14,525	-18,137	18,137	0
Unobligated balance available, start of year.....	14,525	18,137	0	0	0
Rescission <u>a/</u> .....	0	74	0	0	0
Total Appropriation.....	41,864	37,000	30,000	-20,000	10,000

NOTE: Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) A decrease of \$20,000,000 in mutual and self-help grants (\$30,000,000 available in 2012).

The mutual and self-help grant program provides technical assistance to local community- and faith-based groups to sponsor this community building program. Historically funding of renewals of existing projects is approximately \$30 million annually with approximately 50 projects or non-profit organizations funded. With the 2013 funding, RHS expects to provide about 30 grants.

In addition to this funding, the 2013 budget requests, for the first time, a set aside of 502 direct single family housing loan level of \$141 million as part of the appropriations language in the Rural Housing Insurance Fund account. These funds will be available exclusively for families who have built their own homes under the technical assistance of the mutual self-help grant program, ensuring the success of these grants.

RURAL HOUSING SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
(Dollars in thousands)

Mutual and Self-Help Housing Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	--	\$512	--	--
Arizona	\$4,837	257	--	--
Arkansas	2,396	444	--	--
California	9,241	12,675	--	--
Colorado	--	1,626	--	--
Delaware	1,155	1,184	--	--
Florida	3,550	2,530	--	--
Hawaii	--	1,387	--	--
Idaho	--	809	--	--
Illinois	283	--	--	--
Indiana	--	330	--	--
Kansas	360	317	--	--
Kentucky	--	550	--	--
Louisiana	647	326	--	--
Maine	1,170	--	--	--
Michigan	--	299	--	--
Mississippi	318	363	--	--
Missouri	324	--	--	--
Montana	696	2,172	--	--
New Mexico	--	487	--	--
North Carolina	629	642	--	--
North Dakota	--	10	--	--
Ohio	600	600	--	--
Oklahoma	4,869	1,257	--	--
Oregon	137	655	--	--
Pennsylvania	300	664	--	--
South Carolina	275	--	--	--
South Dakota	354	439	--	--
Texas	608	619	--	--
Utah	4,071	1,517	--	--
Washington	5,646	1,245	--	--
District of Columbia	149	106	--	--
Puerto Rico	--	315	--	--
W. Pacific Areas	72	--	--	--
Total Avail./Est.	<u>\$42,686</u>	<u>\$34,337</u>	<u>\$48,137</u> <sup>1/</sup>	<u>\$10,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE

MUTUAL AND SELF-HELP HOUSING GRANTS

Classification by Objects  
(Dollars in thousands)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Other Objects:				
41 Grants, subsidies, and contributions.....	<u>\$42,686</u>	<u>\$34,337</u>	<u>\$48,137</u>	<u>\$10,000</u>
Total direct obligations.....	<u>42,686</u>	<u>34,337</u>	<u>48,137</u>	<u>10,000</u>

**RURAL DEVELOPMENT HOUSING PROGRAMS****STATUS OF PROGRAMS****Rural Housing Insurance Fund**Current Activities:

The Nation's housing industry has continued to struggle in the past year. While Rural Development's programs have been affected along with other lenders in this slowly recovering economy, the agency's bill of health is more positive than most other lenders. The agency continues to provide affordable housing loans for rural families with limited incomes who would otherwise be unable to buy their own home. And, Rural Development home loan guarantees continue at a record level as lenders, eager to reduce risk, flock to the safety of this program -- filling a critical funding gap by providing capital which creates local jobs, and assures that tens of thousands of rural Americans are able to meet their housing needs.

In an environment where every Federal program dollar needs to be strongly justified, the agency still provides sound investments in thousands of rural families nationwide. More than 140,000 families reached their goal of homeownership with nearly \$18 billion in direct loans and guarantees. This is the second highest year ever -- eclipsed only in 2009-2010 when supplemental funds were provided through ARRA (Recovery Act).

In 2011, the Single-Family Housing direct loan program obligated \$1.12 billion. The Single Family Housing guaranteed loan program obligated over \$16.86 billion -- an all-time record.

The direct and guaranteed programs continue to adapt to the new realities of reduced staff and other resources while demand continues at a high level. New automation tools and a staff reorganization promise to increase efficiencies. Further updates for the popular Guaranteed Underwriting System (GUS) will allow participating lenders to make sound loans faster and cheaper. A similar automated underwriting system is in development for the direct loan program. The agency is also reorganizing at every level, including improvements in loss claim payments and loan modifications which promise significant savings.

Section 502 Direct Single Family Housing Loans:

Section 502 Direct Single Family Housing Loans are loans that are directly funded by the Government. These loans are available for low- and very low-income households to obtain homeownership. Applicants may obtain 100 percent financing to purchase an existing dwelling, purchase a site, and construct a dwelling, or purchase newly constructed dwellings located in rural areas. Mortgage payments are based on the household's adjusted income. A total of 9,685 direct loans totaling \$1,119,158,787 were obligated in 2011.

In addition, during a recent Office of Inspector General (OIG) review of the ARRA funds administered by the Rural Housing Service (RHS), a recommendation was made to strengthen controls to detect, reduce, and prevent improper payments; enhance electronic systems to prevent or reduce improper payments; strengthen controls to prevent weaknesses identified in State internal reviews from recurring; and, improve monitoring of employee access authorities. The agency has taken timely and comprehensive steps to implement these recommendations.

### Section 502 Guaranteed Single Family Housing Loans:

The Section 502 Single Family Housing Guaranteed Loan Program's (GLP) popularity continued to increase within the mortgage lending industry. With the recent housing crisis, lenders have been increasingly reluctant to extend credit without government backing. Rural Development (RD) provides mortgage credit in rural areas with minimal upfront cost, and features a 30-year fixed rate. Without these guarantees, thousands of home purchasers would be unable to pursue the American dream of homeownership. A total of 130,415 low- and moderate-income families obtained guarantees, totaling \$16,858,927,513 in 2011, a record for this program that started in 1991.

Aside from issuing a record amount of guarantees in 2011, the GLP is one of the strongest and best performing mortgage loan portfolios in the Nation. Its delinquency and foreclosure rates are well below those of the Federal Housing Administration (FHA).

For each of the past five years, the program has established new lending records, growing from a \$2.9 billion program in 2006 to \$16.9 billion in 2011. The delinquency of the agency's portfolio of loan guarantees was 9.92 percent for December 2011, well below the latest Federal Housing Administration (FHA) rate of 12.66 percent (September 2011). Similarly, the foreclosure rate on USDA home loan guarantees was at 3.33 percent in December 2011, compared to the FHA rate of 3.70 percent (September 2011).

### Section 515 Multi-Family Housing (MFH) Preservation and Revitalization & Direct Rural Rental Housing Programs:

The objective of this program is to repair or rehabilitate individual housing, rental properties, or co-ops owned and/or occupied by very low- and low-income rural persons. In 2011, MFH preserved and constructed Section 515 properties consisting of more than 4,981 units of housing through the Section 515 MFH Preservation program and the Section 515 new construction program.

### Section 538 Guaranteed Rural Rental Housing Program (GRRHP):

In 2011, the Guaranteed Rural Rental Housing Program (GRRHP) committed loan guarantee funds in excess of \$32 million, providing funding to rehabilitate approximately 900 affordable housing units and build approximately 500 new affordable housing units. The 27 properties using the GRRHP this fiscal year utilized other public and private funding in excess of a 4 to 1 ratio. This means that for every dollar of loan guarantee funds, the property attracted more than \$4 of other funding.

Rural Development has made great strides in attracting lenders and investors into GRRHP. In prior years, a fraction of the loans guaranteed were sold in the secondary market. Because of strong relationships with Ginnie Mae and Fannie Mae, this program has been able to attract new lenders and new investors. Rural markets are attracting more private capital due as a result of these relationships and through the program's expanding lender network.

### Section 504 Housing Repair Loans:

The objective of the Section 504 Home Repair Loan Program is to help very low-income owners repair their modest homes. Loan funds are made available to improve or modernize a home, or address safety hazards and sanitation issues. Since 1950, USDA has provided very low-income rural homeowners with repair loans and grants totaling more than \$1.56 billion. This program obligated over \$21,851,027 in 2011, with an average loan amount of \$5,399.

## **Rural Housing Assistance Program**

### Current Activities:

Multi-Family Housing programs continue to face the challenges of rapidly aging direct loan portfolios serving the affordable rental needs of the most vulnerable residents in rural communities. Specific areas being addressed currently include:

1. Continued engagement with funding partners to draw third-party funding into transactions that preserve the portfolio or bring new units to badly underserved rural areas. One significant step in these efforts is participation in the White House Rental Policy Working Group's efforts to align funding and operation requirements between HUD, Treasury and USDA rental housing programs. Improved alignment of funding will help USDA and its partners better leverage resources available through the other agencies. Another goal of the working group is to make Federal rental housing programs more attractive to our partners by improving program efficiency and reducing duplication of Federal regulatory requirements.
2. Improved administrative internal controls to strengthen verification methods for tenant income in order to reduce the risk of improper rental assistance subsidy payments; thereby reducing the incidence of waste, fraud and abuse at properties financed by Rural Development (RD).
3. Substantive training efforts undertaken by MFH Programs to provide guidance for MFH field staff with less than five years experience servicing the loan portfolio or handling asset management responsibilities.
4. Increased focus on attracting private funding for preservation and rehabilitation projects in order to make RD's funding go further. In 2011, the MFH housing programs attracted approximately \$2.50 of external project funding for each \$1 of RD funding.

### Section 521 Rental Assistance (RA) Program:

In 2011, \$953,723,730 was used for Rental Assistance (RA) purposes, including renewal of 216,654 contracts with borrowers, 1,114 new RA units for new construction, and 726 new RA units for preservation incentives. The agency began an initiative in 2010 to aggressively service non-performing projects and non-compliant borrowers, with an objective of retiring RA units from properties that leave the portfolio either through foreclosure or prepayment of the RD mortgage. Aggressive servicing requires the RD field staff to focus on the continued need and suitability of defaulted properties, and evaluate the available resources to rehabilitate or strengthen the properties' financial position.

The Section 521 program annually conducts compliance reviews under the Improper Payments Information Act. In 2011, the program held errors to a level below 2.5 percent, the OMB desired threshold. The 2010 error rate was 1.39 percent and 1.48 percent in 2011. The program continues to work with industry groups to ensure appropriate property manager training to keep error levels low.

### Section 514/516 Farm Labor Housing Program:

The Farm Labor Housing program remains the only national source of construction funds dedicated to farm labor housing. This program provides loans and grants to build housing for both migrant and year-round farm laborers. Funds may also be used for related facilities, such as on-site child care and community buildings. Funding is made available annually through a competitive process.

The Multi-Family Housing program financed the construction and repair of 1,215 farm labor housing units in 2011. The selection process for Farm Labor housing loans and grants is conducted through a Federal Register notice, which establishes the criteria used by RD to allocate these loans and grants. One of RD's goals is to attract more external funding. Typically groups attracting external financing, receive more credit in the application review process. This program obligated \$40.5 million in 2011. For each obligation dollar of loan or grant, in excess of \$2 of external funding was committed.

The Villa Fortuna developed by Chelsea Investment Corporation in California's Imperial Valley recently opened their doors to a total of 76 families and individuals, thanks to the assistance of USDA. In addition to providing quality housing, this complex offers a variety of programs and classes to help residents build skills and become more self-sufficient. Adult classes range from computer training and English language to financial literacy and nutrition. Children can also benefit from after-school tutoring, arts and crafts projects and soccer classes.

#### Section 542 Voucher Program:

The Voucher program has offered over more than 12,000 vouchers to residents in rural America during its seven year demonstration period. In that time, more than \$33.6 million in voucher funds have been obligated. Intentions behind the program were for a simple, direct and responsive approach to program delivery, without duplicating other Federal rent assistance programs. The program has touched many rural lives and has eased tenants' transition from federally-protected rental properties to the standard market rentals. The program obligated \$8.6 million in 2011, the highest levels yet, and issued almost 2,700 vouchers.

#### Section 523 Mutual and Self-Help Housing Grants:

The Mutual and Self-Help program provides the only opportunity for many of the lowest income families in rural areas, including a high portion of minorities, to achieve their homeownership goal. Since 1966, USDA has provided \$681 million to non-profit organizations around the country to organize more than 2,400 groups of families to build their own communities.

Approximately 46,000 families have built their homes through USDA's Self-Help Program. In 2011, 1,015 families were assisted with mortgage loans totaling \$140,012,569 to build their homes through the self-help program. The program obligated \$34,337,040 million in Section 523 Technical Assistance grants and contracts to organizations supporting these groups of rural families.

Families participating in the Self-Help program work together in teams of six to ten to build each other's homes under the supervision of qualified contractors. The program makes homes affordable through sweat equity. The program serves a high percentage of minorities and others who would never be able to obtain a home through conventional means. One single mom reported that she sought to give her child a safe and comfortable home in which to grow up. She read about the program and although felt it was "too good to be true," she immediately knew it was the solution to her problem. "Although it was hard work coordinating a babysitter and work schedule," she said, "It was worth it to see your dreams come true by your own work and sweat. Instead of giving me housing, this program gave us a home."

In 2011, a ground breaking was held in Monticello, Kentucky, for a project in which five local families began the process of building their own homes. The project began several years ago when Kentucky Highlands received a RD Section 523 Mutual Self Help Housing grant for \$250,000 in April 2008. That money was designated for technical assistance to help 12 families that wanted to help build new homes. The selected families also were approved for RD 502 Direct Loan funds, in addition to forgivable loans from the Federation of Appalachian Housing Enterprises, Inc., to pay for the cost of building the homes.

### **Rural Housing Assistance Grants**

#### Current Activities:

In order to meet the Department's strategic goal of assisting rural communities to thrive economically, housing programs provide loans, grants and guarantees for housing and community facilities. This includes funding for single family homes, housing for low-income persons, the elderly and disabled, housing for farm laborers, and other housing and community facilities. Since the beginning of USDA housing assistance, shortly after the passage of the Housing Act of 1949, nearly 3.4 million low income rural Americans have been assisted by USDA to attain or maintain the American dream of homeownership. This homeownership assistance is available only to low-income families who by definition are unable to obtain credit elsewhere.

On September 29, 2011, in Mt. Pleasant, Michigan, USDA, the Department of Housing and Urban Development, and the Michigan State Housing Development Authority signed a Memorandum of Understanding (MOU) to coordinate subsidy layering reviews for rental housing development that is funded by more than one source in Michigan. These reviews help assure that government housing resources are properly and efficiently used. The MOU is designed to streamline and clarify the regulatory process so that transactions can be approved faster and more efficiently. The MOU is the first written agreement in the nation and will pilot test national efforts to better align Federal rental housing policies and programs across the country. The MOU was signed during the annual conference of the Michigan Rural Development Council.

#### Section 504 Housing Repair Grants:

The Section 504 Grant program is available to very low-income homeowners 62 years of age or older. The grant funds are used to remove health and safety hazards or make the dwelling more accessible to household members with disabilities. These grants currently average about \$5,675. More than 5,500 very low-income families used \$31,244,176 in Section 504 grants in 2011 to make essential repairs to their homes.

#### Section 509 Compensation For Construction Defects:

This program provides funds to Section 502 direct homeowners to repair structural defects in newly constructed homes. Grants are available only if the contractor refuses, or is unable, to honor the warranty and only covers structural defects within 18 months of completion of the home. This program obligated two grants totaling \$31,052 in 2011.

#### Section 533 Housing Preservation Grant Program:

The Housing Preservation Grant program strives to improve the quality of existing multi-family housing and some single family housing units through partnerships with various local public bodies and non-profit organizations. Grants of approximately \$9.8 million were made to non-profit and public entities improving the housing quality of approximately 2,400 families in 2011.

The Housing Preservation Grant program is administered through a public notice process, in which non-profit and public bodies are invited to apply for grants to repair Single Family and Multi-Family housing units that are below housing standards. This program has attracted more than \$3 of private and public funds for each \$1 of RD housing preservation grants.

### **Community Facilities (CF) Program**

#### Current Activities:

In 2011, emphasis was placed on financing educational facilities, in response to increased demand from rural communities for assistance with financing for these vital facilities. In many communities, Rural Development is the only affordable source of capital for schools and related facilities. In the current economic climate, there has been a growing realization of the importance of a solid educational system to the economic health and sustainability of rural communities.

Successfully competing in the global economy requires advanced skills, especially in the areas of math, science, and technology. Acquiring these skills requires a sound foundation in the underlying fundamentals in the elementary and high school years. In 2011, the CF program invested \$89.1 million in education facilities (including libraries) in 195 rural communities. These facilities not only provided essential services but were important generators of a variety of jobs. As a secondary effect of CF's investment in these facilities, an estimated 563 jobs were saved and 597 new jobs were created.

Community Facilities Loans and Grants:

The Community Facilities program was established in 1974 by the Consolidated Farm and Rural Development Act. Historically, the largest portion of CF funds goes toward health care projects, but the largest number of loans or grants serves the area of fire, rescue, and public safety.

In 2011, more than \$308.5 million was invested in 133 health care facilities. During the same period, 376 communities received more than \$93.8 million to finance fire, rescue, and public safety facilities and equipment benefitting more than 2.3 million rural residents. In 2011, there was \$616,032,886 million in CF loan and grant funds obligated, providing services to more than 16 million rural Americans.

Nearly 80 percent of rural public libraries in Tennessee provide the only free public access to the Internet in communities with some of the highest unemployment rates and lowest rates of home Internet access. Rural Development partnered with the Tennessee Department of Economic Development, State Library and Archives, and the Office of the Secretary of State to invest more than \$1.2 million to create or expand computer resources and free public internet access at 70 rural libraries that serve more than a million rural Tennessee residents. Rural Development provided \$350,000 for the project. The partnership increased the capacity of these 70 libraries to assist the unemployed and underemployed with job searches, job applications and training to help them find better jobs. These facilities now have the capacity to provide additional business development services, workforce training and educational opportunities.

**RURAL DEVELOPMENT HOUSING PROGRAMS**Summary of Budget and Performance  
Statement of Goals and Objectives**Rural Housing Programs**

**Mission:** Rural Development housing programs provide affordable housing to rural communities. This helps communities create wealth as rural families of all income levels are provided with an opportunity to enjoy the advantages of homeownership or access to affordable rental housing. This includes a place-based investment in rural hometowns which grows as owner equity increases and fills an important need for the entire community to thrive. For 2013, RD has focused funding in the programs that most effectively provide access to homeownership or affordable rental housing opportunities.

**Multi-Family Housing:**

In order to meet the agency's strategic goal of improving the quality of life in rural America, the multi-family housing program is focusing on providing new rental opportunities for the rural tenant population, continued tenant protections through rental assistance and the voucher program, and revitalization of the aging section 515 and section 514 housing portfolios. A voucher program is provided to protect tenants threatened with displacement from properties exiting the program. RD expects to maximize new rental housing construction opportunities under the Section 538 guaranteed rural rental housing program (GRRHP). The requested rental assistance at \$907 million is sufficient to accommodate the expected 207,489 rental assistance contracts that will need renewal funding in 2013.

In 2013, the 538 guaranteed program will be delivered under a negative subsidy rate. Analysis showed the program could be operated at a negative subsidy rate based on delinquency rates, recovery rates, and fees, along with coupling the loan guarantee with projects funded with Low Income Tax Credits.

The traditional way to fund revitalization has been through the multi-family housing direct loan program. The 2013 budget proposes to continue the use of section 515 direct loan funds for the multi-family housing revitalization demonstration program, focusing on rehabilitation rather than new construction. Providing \$34 million for this purpose will ensure that the urgently needed and exceedingly limited affordable rental housing stock is revitalized and preserved for very-low income families and seniors in rural America.

**Single Family Housing:**

Since financing the first farm home in 1950, USDA's section 502 single family housing loan programs have assisted over 3 million rural families in their home purchase and/or repair. These programs provide the only means available for many very low- to moderate-income rural residents to become successful homeowners.

To meet USDA's strategic goal to "assist rural communities create prosperity so that they are self-sustaining, repopulating and thriving economically," the single family housing programs focus on successful homeownership through quality loan underwriting and prudent loan servicing. The request for the single family housing guaranteed loan program is \$24 billion in program level. Because of a fee structure, this program requires no budget authority. The 2013 budget also provides funding for the single family housing direct loan program at \$653 million.

Funds provided for the housing programs are expected to be used in part for various Administration initiatives including, but not limited to, targeting funding for teachers as well as for beneficiaries of the mutual self-help program.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
USDA Priority Goal : Assist rural communities to create prosperity so that they are self-sustaining, repopulating and economically thriving.	Agency Goal 2: Improve the quality of life in Rural America	Objective 2.1: Provide decent, safe and affordable housing	Sec. 502 Direct Single Family Housing Sec. 502 Guaranteed Single Family Housing Purchase and Refinance Sec. 515 Direct Multi-Family Housing Loans Sec. 521 Rental Assistance Program Grants Sec. 514 Farm Labor Housing Loans Sec. 516 Domestic Farm Labor Housing Grants Sec. 504 Housing Repair Grants Sec. 542 Multi-Family Housing Voucher Program	<u>Key Outcomes:</u> Decent, safe and affordable housing

**Key Outcome:** Decent, safe and affordable housing.

**Key Outcome Measure:**

**Single Family Housing**

Long-term Performance Measures:

Measure 1: Number of homeownership opportunities created measured in terms of the number of loans made.

	502 Guaranteed	502 Direct
Baseline Year: 2003	31,751	12,651
2004 Actual	34,251	14,641
2005 Actual	31,480	12,315
2006 Actual	29,476	11,461
2007 Actual	32,481	11,461
2008 Actual	56,745	10,675
2009 Actual	46,748	9,829
2010 Actual	119,230	8,505
2011 Actual	130,415	9,685
2012 Target	178,692	7,627
2013 Target	178,692	5,530
2014 Target	198,000	5,530
2015 Target	216,470	5,530

Measure 2: The number of basis points in the single family housing guaranteed loan program should not exceed the foreclosure rate of FHA's loan portfolio's foreclosure rate by more than certain thresholds.

	502 Guaranteed	502 Direct
Baseline Year: 2003	(-75)	108
2004 Actual	(-57)	98
2005 Actual	(-95)	99

2006 Actual	(-97)	85
2007 Actual	(-86)	109
2008 Actual	(-94)	111
2009 Actual	(-1.6)	78
2010 Actual	(-.97)	42
2011 Actual	7	184
2012 Target	25	300
2013 Target	25	300
2014 Target	25	300
2015 Target	25	300

This measure compares default rates for section 502 direct and guaranteed loan program borrowers to that of the Federal Housing Administration (FHA) loans. The overall section 502 direct and guaranteed loan portfolio compare favorably to FHA default rates.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

Guaranteed Loan Program:

- Staff continued to focus on system enhancements to its Guaranteed Loan System (GUS). This automated underwriting system enables participating private-sector lenders to make loans faster, with less expense, more consistent program delivery, and improve loan quality. In addition, GUS fulfilled legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act.
- RD encouraged mortgage loan servicers to use a wide range of loss mitigation techniques to assist homeowners avoid foreclosure and remain in their homes which also resulted in fewer loss claims paid by the agency. Traditional loss mitigation techniques included: informal repayment agreements, special forbearance, loan modification, pre-foreclosure sales, and deed-in-lieu of foreclosure. Beginning in 2011, RD allowed for lowering of interest rates and extended loan terms up to 40 years.
- In 2012, the guaranteed loan program was offered at no cost to taxpayers.

Direct Loan Program:

- The SFH direct loan program's delinquency rate slipped slightly above the Federal Housing Authority (FHA) product in 2011 (but remained well within the established threshold). Despite this occurrence, RD continued to help mitigate the greatest economic crisis of the past sixty years through aggressive, yet socially sensitive, implemented techniques to minimize the number of adversely impacted borrowers displaced by foreclosure (e.g., the use of Treasury funds distributed through the State Governments in the form of the Hardest Hit Funds).
- The length of the economic crisis is, however, beginning to take its toll as borrowers that availed themselves of a Moratorium and/or Delinquency Workout Agreement are exhausting the terms of these servicing options without experiencing an improvement in their financial situation. As a result, the foreclosure rate is increasing.

Selected Accomplishments Expected at the 2013 Proposed Resource Level:

USDA will responsibly manage its SFH direct and guaranteed loan portfolio with a goal of keeping its loan delinquency rate within certain thresholds of the FHA delinquency rate for 2013.

	502 Guaranteed	502 Direct
2004 Actual	-345	.52
2005 Actual	-212	.66
2006 Actual	-309	12.3
2007 Actual	-164	75
2008 Actual	-211	-71
2009 Actual	-241	-83
2010 Actual	-292	-66
2011 Actual	-24	14
2012 Target	50	200

2013 Target	50	200
2014 Target	50	200
2015 Target	50	200

#### Guaranteed Loan Program:

- RHS expects to provide approximately 178,692 homeownership opportunities for low- and moderate-income rural families.
- RHS intends to responsibly manage the guaranteed loan portfolio with a goal of keeping its loan delinquency rate within 50 basis points of the FHA delinquency rate in 2012.
- In 2013, the improved Guaranteed Underwriting System (GUS) will enable participating private-sector lenders to make loans faster and less expensively, will result in better quality loans and more consistent program delivery, and will fulfill legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act. Staff will continue working on improving and expanding system capabilities.

#### Efficiency Measure:

For the guaranteed program, the efficiency measure is “The Workout to Real Estate Owned (REO) Ratio,” as defined as follows: The sum of Approved loss mitigation workouts (Special Forbearances, Loan Modifications, Pre-foreclosure Sales and Deeds-in-Lieu) divided by the sum of (Approved Workouts + REO) minus Deeds-in-Lieu. \*Deeds-in-Lieu are weighted at half (50 percent) of a fully weighted workout in the numerator of the Workout to REO Ratio since Deed-in-Lieu results in an REO. Even though the Deed-in-Lieu is a favorable loss mitigation result that reduces loan losses, it should not receive equal credit of workout that results in a loan reinstating or a property that is liquidated prior to a foreclosure sale.

The Workout to REO Ratio measures the level of effectiveness in preventing defaulted loans from going on to foreclosure. Effective loss mitigation will reduce the number of loans that become seriously delinquent thus reducing the amount of loans that could result in foreclosure and subsequent loss claim payment. The higher the Workout to REO Ratio, the more favorable the result and is recognized by the mortgage industry as a true measurement of loss mitigation performance.

Year:	Workout : REO ratio
2006 Actual	38.28%
2007 Actual	43.24%
2008 Actual	54.59%
2009 Actual	53.82%
2010 Actual	62.18%
2011 Actual	59.95%
2012 Target	60%
2013 Target	60%
2014 Target	60%
2015 Target	60%

#### Multi-Family Housing

Long-term Performance Measure: The strategy to achieve the long-range goal of creating wealth in rural communities through thriving affordable multi-family housing (MFH) properties and the provision of decent, safe and sanitary housing for rural residents begins with multi-family programs’ effort to revitalize its housing portfolio. Methods of achieving this objective include identification of the core properties in the portfolio that have the best chance for continued economic health and as a target for use of limited financial resources. Once identified, the needs of those properties that have the best chance for continued economic health are addressed using the multi-family preservation and revitalization demonstration program.

**Measure:** Increase the percentage of A and B properties in the portfolio by one percentage point each year. Note: Rural Development uses an alphabetical four-tier classification system – A is highest; D is lowest – that categorizes properties according to physical condition, loan status and the number of outstanding or unaddressed corrective actions.

During 2011, MFH provided specific guidance to field staff on asset management procedures that should be used to address servicing problems associated with defaulted properties. Such aggressive servicing actions are designed to evaluate the long-term viability of problem properties in order to strengthen the overall portfolio. The target remains at one percent more of properties per year into the higher A and B categories as a result of improved oversight, aggressive action against owners, and implementation of the multi-family portfolio revitalization program.

Baseline	
Year: 2002	82 %
2008 Actual	61 %
2009 Actual	62%
2010 Actual	55%
2011Actual	60%
2012 Target	62%
2013 Target	63%
2014 Target	64%
2015 Target	65%

**Measure:** Attract private capital (leverage) to preserve existing affordable housing and to build new, safe decent, sanitary, and affordable housing.

To maintain rents within the reach of low and very-low income rural families and seniors, the use of debt capital must be minimized in the construction and/or rehabilitation of affordable rental housing. Therefore, the bulk of construction and/or rehabilitation costs must be financed from equity capital investments in these projects. The use of a Section 538 loan guarantee facilitates access to debt capital and draws equity capital investments. The loan program will provide lenders with access to capital markets to bring liquidity to their portfolios and minimize financial risk. Over the life of the program, every loan dollar guaranteed by the government has leveraged over \$3.00 of equity. In 2011, the section 515 direct lending program, particularly through property ownership transfers in conjunction with tax credits, attracted over \$2.00 of public and private funds for every Government dollar invested.

**Selected Past Accomplishments Toward Achievement of the Key Outcome:**

- In 2012, RHS began operating its Section 538 at no cost to the taxpayer.
- MFH is working with the White House’s Domestic Policy Council to better coordinate activities with other housing funding agencies – HUD and the IRS - through the interagency Rental Policy Working Group. Recommendations have been developed to align physical inspections, subsidy layering reviews, financial reporting, appraisals and market studies, capital needs assessment tools, energy efficiency standards, fair housing compliance enforcement, improved data sharing on owner defaults, and income reporting and definitions.
- Two working group efforts, physical inspections and subsidy layering reviews, were led by USDA MFH for immediate implementation. Agency staff worked with team members to establish Memoranda of Understanding among Rural Development, HUD, and state-level tax credit allocating agencies to initiate pilot programs to test parameters on one physical inspection protocol and agreed-upon standards for subsidy layering. Through the launch of pilots, where local solutions can be supported, tested, and potentially taken to scale, federal, state, local, and private partners can begin to realize cost and time savings, as well, as put program dollars to use quicker, ensuring that low-income families can continue to have access to affordable rental housing when it is needed most.

Selected Accomplishments Expected at the FY 2013 Proposed Resource Level:

- In 2013, multi-family housing is expecting to finance the rehabilitation of over 4,600 units using the multi-family revitalization account instead of the section 515 direct rural rental housing program.
- The Section 538 program is budgeted to receive \$150,000,000 in 2013 program level which should translate into leveraged funds exceeding \$477 million for the construction and/or rehabilitation of over 4,338 rural rental homes.
- Multi-family housing programs expect to renew 207,489 rental assistance contracts in 2013. Rental assistance contracts are on a one-year contract term and the program continues to monitor the performance of these contracts for early renewal.

Efficiency Measure:

The amount of third-party financing in RD financed properties is a measure of efficiency. This third-party financing, or leveraging, enables RD's program level of funds to reach more families who need affordable housing.

Baseline	
Year: 2002	\$161,805,674
2007 Actual	\$441,354,259
2008 Actual	\$635,385,954
2009 Actual	\$500,301,337
2010 Actual	\$690,721,366
2011 Actual	\$512,975,033
2012 Target	\$600,000,000
2013 Target	\$600,000,000
2014 Target	\$600,000,000
2015 Target	\$600,000,000

Key Outcome:

The only MFH program that appears in the USDA Performance and Accountability Report is the section 521 rental assistance program (RA). RA is the subject of annual improper payment audits to ensure that the appropriate subsidy is being paid on behalf of low- and very-low income tenants in Section 514 and Section 515 multi-family properties. The ultimate target rate for reduction of improper payments is an error rate under 2.5 percent of program outlays. In 2010, the RA program reported a rate of 1.39 percent and in 2011, an error rate of 1.48 percent. Program audits review documentation collected and used by private property managers to support subsidy requests. In recent years, the program has undertaken aggressive efforts to educate the property management industry and program borrowers to ensure appropriate and complete documentation. Despite having an error rate below the targeted minimum, the program continues to closely monitor the performance of these private property managers, and annual audits will continue indefinitely.

Community Facilities Programs

Community Facilities: Hospitals, schools, public safety buildings and facilities, child and elder care facilities, community centers, town halls, libraries, and many other social and community services that directly enhance the quality of life of rural residents. Program funding is primarily used to improve or replace community facilities that are functionally obsolete. Grant funding is essential to provide some portion of equipment and facilities that exceed an essential community facilities repayment capacity.

Rural Development (RD) community programs have one strategic goal and one strategic objective that contribute to the Department's Strategic Goal:

USDA Priority Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<b>USDA Priority Goal:</b> Rural communities create prosperity so that they are self-sustaining, repopulating and economically thriving	<b>Agency Goal 2:</b> Improve the quality of life in Rural America	<u>Objective 2.2:</u> Develop community infrastructure	<u>Rural Community Programs</u> Community Facility Direct Loans Community Facility Grants	<u>RD Key Outcome 2:</u> Develop community infrastructure

**Key Outcome: Develop community infrastructure:** By assisting communities in developing essential community facilities, RD is directly supporting the Secretary's priorities. As communities become able to provide their residents with such vital amenities as health care, quality education, child care, libraries, and etc., the area becomes more attractive to business and industry. It becomes more stable and, over time, more economically sustainable.

**Community Facilities Measures:**

1. Funds dedicated to the renovation and construction of child care and public school facilities.
2. Percentage of projects with completed environmental reviews prior to loan and grant obligation.

Year	Funds Obligated for Child Care and Public School Facilities	Percentage of Projects with Completed Environmental Reviews Prior to Obligation
2010 Actual	\$63.3 million	100%
2011 Actual	\$20.2 million	100%
2012 Target	\$36.8 million	100%
2013 Target	\$37.0 million	100%
2014 Target	\$37.0 million	100%
2015 Target	\$37.0 million	100%

**Long-term Performance Measures:** The original annual measures were (1) to increase the percentage of the rural population with improved health care services by 5.5 percent by 2010; and (2) to increase the percentage of the rural population with improved public safety services by 3 percent by 2010. These goals were met (and exceeded, in the case of public safety services) by 2009.

In 2013, the goals for rural residents served are:

- health care: 5.8 percent
- public safety: 5.1 percent
- educational facilities: 5.2 percent

**Selected Past Accomplishments Toward Achievement of the Key Outcome:**

- In 2011, a total of 41 hospitals and 10 outpatient facilities were funded for a total investment of \$218.8 million in health care facilities. Increased numbers of requests for financing of critical access hospitals are expected in the coming years. In the past, the community facilities program has successfully provided large numbers of rural communities with health care facilities, fire and rescue equipment, and educational facilities, as well as a wide variety of other services.

- In 2011, USDA provided funds to construct, renovate, or improve 28 elementary and high schools and 73 libraries. During 2011, USDA's total investment in educational and cultural facilities was over \$117 million.
- In 2011, USDA provided funds to construct, renovate, or improve 1,064 essential community facilities. Rural Americans had new or improved services available from approximately 147 health care facilities, 414 public safety facilities, 217 educational facilities, 193 public buildings and improvements, and a number of other essential community facilities. More than 17 million rural residents had new or improved services available to them through these facilities.

Selected Accomplishments Expected at the 2013 Proposed Resource Level:

Given the funding level proposed for 2013, the agency expects to continue our steady progress in helping rural communities meet the most basic needs of their residents. This program is also instrumental in carrying out regional economic strategies and improving access to healthy foods.

Efficiency Measures:

The community facilities program's efficiency measure is the annual loan loss ratio for the direct loan program. This is calculated by the annual amount of losses in the direct loan program divided by the outstanding loan portfolio balance as of September 30. The agency anticipates that the annual loan loss ratio for the direct loan program will be maintained at .002 during 2012 through 2015.

## RURAL DEVELOPMENT HOUSING PROGRAMS

Strategic Goal Funding Matrix

(Dollars in thousands)

<u>Program / Program Items</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>Change</u>	<u>2013 Estimate</u>
<b>Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving</b>					
Direct Single Family Housing Loans (Section 502).....	\$1,013,623	\$1,119,159	\$900,000	-\$247,236	\$652,764
Staff Years.....	664	617	563	0	563
Guaranteed Single Family Housing Purchase and Refinance Loans (Section 502)	15,068,673	16,858,928	24,000,000	0	24,000,000
Staff Years.....	920	854	781	0	781
Direct Rural Rental Housing Loans (Section 515).....	68,130	69,215	64,478	-64,478	0
Staff Years.....	840	779	712	0	712
Guaranteed Multi-Family Housing (Section 538).....	129,130	32,353	130,000	20,000	150,000
Staff Years.....	247	230	210	0	210
Housing Repair Loans (Section 504)	25,961	21,851	10,000	17,952	27,952
Staff Years.....	90	84	77	0	77
Single and Multi-Family Housing Credit Sales (Non-Program)	2,214	886	10,000	-10,000	0
Staff Years.....	23	22	20	0	20
Rental Assistance Program (Section 521/502)	978,930	953,710	904,653	2,475	907,128
Staff Years.....	196	182	166	0	166
Farm Labor Housing Loans and Grants (Section 514/516) and Domestic Farm Labor Housing Grants	25,091	56,174	27,891	6,946	34,837
Staff Years.....	256	237	217	0	217
Rural Housing Voucher Program	10,709	10,769	11,000	1,575	12,575
Staff Years.....	0	0	0	0	0
Multifamily Housing Revitalization Program (MHRP): MHRP Modifications, MHRP Zero Percent Loans, MHRP Soft Second Loans, MHRP Grants (Sec 515) and MHRP Perservation Demo Revolving Loan Fund	26,597	23,179	2,000	56,969	58,969
Staff Years.....	0	0	0	0	0
Mutual Self-Help Grants (Section 523)	42,686	34,337	30,000	-20,000	10,000
Staff Years.....	15	14	13	0	13
Housing Assistance Grants	43,288	41,404	33,136	-4,920	28,216
Staff Years.....	310	288	263	0	263
Rural Community Programs - Direct Community Facilities Loans, Guaranteed Community Facility Loans, Community Facility Grants, Rural Community Development Initiative Grants	948,423	721,617	1,429,999	595,001	2,025,000
Staff Years.....	1,028	954	872	0	872

Program / Program Items	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Direct Community Facility - 2005 Hurricanes Emergency Supplemental, Direct Community Facility - May 6, 2007 Disaster Emergency Supplemental, Direct Community Facility - 2008 Disasters Emer. Suppl., Guaranteed Community Facility - 2005 Hurricanes Emer. Suppl., Guaranteed Community Facility - 2008 Disasters Emer. Suppl., Community Facility Grants - 2003/2004 Hurricanes Emer. Suppl., Community Facility Grants.- 2005 Hurricanes Emer. Suppl., Community Facility Grants - May 6, 2007 Disaster Emer. Suppl., Community Facility Grants - 2008 Disasters Emer. Suppl.	92,425	0	0	0	0
Staff Years.....	0	0	0	0	0
Guaranteed Single Family Housing Purchase 2005 Hurricanes Emergency Supplemental, Guaranteed Single Family Housing Purchase/Refinance Modifications 2005 Hurricanes Emergency Supplemental, Single Family Housing Purchase May 6, 2007 Disaster Emergency Supplemental (Section 502)	474,300	0	0	0	0
Staff Years.....	0	0	0	0	0
Guaranteed Multi-Family Housing Loans May 6, 2007 Disaster Emergency Supplemental and Guaranteed Multi-Family Housing Loans 2008 Disaster Emergency Supplemental (Section 538)	577	0	0	0	0
Staff Years.....	0	0	0	0	0
Housing Repair Loans Emergency Supplemental, Housing Repair Loans 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Loans 2005 Hurricanes Emergency Supplemental, and Housing Repair Loans May 6, 2007 Disaster Emergency Supplemental (Section 504)	194	0	0	0	0
Staff Years.....	0	0	0	0	0
Rural Rental Housing Loans, May 6, 2007, Disaster Emergency Supplemental, Rural Housing Voucher Program 2008 Disasters Emer. Suppl, MFH Revitalization Modification 2008 Disaster Emer. Suppl., MFH Rivitalization Zero Percent Loans 2008 Disasters Suppl., MFH Revitalization Soft Second Loans 2008 Disaster Emer. Suppl., MFH Revitalization Grants Disasters Emer Suppl., (Section 515)	3,081	0	0	0	0
Staff Years.....	0	0	0	0	0
Housing Repair Grants Emergency Supplemental, Housing Repair Grants 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Grants 2005 Hurricanes Emergency Supplemental, Housing Repair Grants May 6, 2007. Disaster Emergency Supplemental (Section 504)	3,364	0	0	0	0

Program / Program Items	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Staff Years.....	0	0	0	0	0
Direct Community Facility Loans - Stimulus, Community Facility Grants - Stimulus	1,168,960	0	0	0	0
Staff Years.....	0	0	0	0	0
Direct Single Family Housing Loans - Stimulus (Section 502)	1,131,244	0	0	0	0
Staff Years.....	0	0	0	0	0
Guaranteed Single Family Housing Purchase Non- Subsidized - Stimulus; Guaranteed Single Family Housing Refinance Non-Subsidized - Stimulus (Section 502)	1,220,771	0	0	0	0
Staff Years.....	0	0	0	0	0
Total Costs, Strategic Goal.....	22,478,371	19,969,449	27,558,157	349,284	27,907,441
Total Staff Years, Strategic Goal.....	4,589	4,261	3,894	0	3,894

## RURAL DEVELOPMENT HOUSING PROGRAMS

### Summary of Budget and Performance Key Performance Outcomes and Measures

**Goal: Assist rural communities to create prosperity so that they are self-sustaining, repopulating, and economically thriving.**

Key Outcome: Decent, safe and affordable housing.

Key Performance Measures:

- Measure #1: Home Loans
- Measure #2: Units selected for construction or rehabilitation

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target
Performance Measure #1 Home Purchase loans							
<b>Section 502 guaranteed loans</b>							
a. Units*	32,481	56,745	46,784	119,230	130,415	178,692	178,692
b. Dollars (billions)	\$3.3	\$6.2	\$5.7	\$15.069	\$16.859	\$24	\$24
Performance Measure #1 Home loans – initial & subsequent							
<b>Section 502 direct loans</b>							
a. Units	11,461	10,675	9,829	8,505	9,685	7,627	5,530
b. Dollars (billions)	\$1.1	\$1.1	\$1.1	\$1.0	\$1.1	\$.9	\$.653

*\*Units reported for sec. 502 direct loans are now "Loans." This includes all initial and subsequent obligations. Since FY 2007, the portion of funding for subsequent loans has totaled 1.0% or less each year. This change simplifies tracking and clarifies reports. A significant number of sec. 502 guaranteed and direct loans were made in FY 2007-08 with supplemental Hurricane funding. These are not included above.*

<b>Performance Measure</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2013 Target</b>
Performance Measure #2 Units selected for construction or rehabilitation							
<b>Section 515 direct rental housing</b>							
a. Units	6,166	5,977	5,781	7,250	3,401	3,677	0
b. Dollars (thousands)	\$98,925	\$131,714	\$67,738	\$68,130	\$69,215	\$64,478	\$0
Performance Measure #2 Contracts to be renewed							
<b>Section 521 rental Assistance **</b>							
a. Units	89,387	120,449	202,525	219,148	216,654	206,920	207,489
b. Dollars (thousands)	\$615,770	\$478,715	\$902,222	\$978,930	\$953,710	\$904,653	\$907,128

\*\* Rental Assistance renewal contracts in FY 2007 were for one- or two-year periods. Renewal contracts in FY 2008 were for a one year period. Projected figures reflect one-year contracts. Units shown in FY 2008 forward are only for renewals and do not include RA allocated for new construction or the preservation incentive program. Dollars in FY 2008 forward reflect total amounts used for all categories of Rental Assistance, not just renewals.

<b>Performance Measure</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Target</b>	<b>2013 Target</b>
Performance Measure #2 Units selected for construction or rehabilitation							
<b>Section 514/516 direct farm labor housing loans &amp; grants</b>							
a. Units	1,285	2,599	1,905	510	3,154	1,425	1,781
b. Dollars (thousands)	\$50,122	\$42,005	\$49,485	\$25,091	\$56,174	\$27,891	\$34,837

## Community Facilities Program

### Key Performance Measures:

- Measure #1: Percentage of rural population with new or improved health care services
- Measure #2: Percentage of rural population with new or improved public safety services
- Measure #3: Percentage of rural population with new or improved educational facilities

### Key Performance Targets:

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target
<b>Community Facilities Program</b>							
Performance Measures #1, 2, 3							
Percentage of rural population with new or improved :							
a. Health Care 1/	5.2	5.3	5.4	3.2	5.2	5.5	5.8
Public Safety	2.7	2.8	5.0	3.2	4.3	4.7	5.1
Educational facilities	N/A	N/A	3.5	3.8	3.8	4.5	5.2
b. Program Dollars 2/ (in millions)	\$755	\$672	\$639.3	\$948.4	\$568.2	\$1,136.6	\$1,609.5

1/ Accomplishing the 2012 and 2013 targets listed above will be dependent upon having an adequate number of staff to deliver the CF program, which has experienced a significant loss in personnel to deliver the additional funding; and, whose top priority will be to maintain the safety and soundness of the CF portfolio.

2/ Program dollars include only funds associated with the health care, public safety and educational facilities and not the entire CF program for this performance measure.

<b>HOUSING AND COMMUNITY FACILITIES PROGRAMS</b>					
<b>Full Cost by Department Strategic Goal</b>					
<b>(Dollars in thousands)</b>					
<b>Strategic Goal: Assist Rural Communities to Create Prosperity so They Are Self-Sustaining, Repopulating and Economically Thriving.</b>					
<b>PROGRAM</b>	<b>PROGRAM ITEMS</b>	<b>2010 ACTUAL</b>	<b>2011 ACTUAL</b>	<b>2012 ESTIMATE</b>	<b>2013 ESTIMATE</b>
<b>Direct Single Family Housing Loans (Section 502)</b>					
	Program Level	\$1,013,623	\$1,121,406	\$900,000	\$652,764
	Budget Authority	36,795	70,200	42,570	38,970
	Administrative Costs (Direct)	21,714	50,905	48,359	46,943
	Administrative Costs (Indirect)	55,835	23,955	22,757	22,091
	Total Costs	114,344	145,060	113,686	108,004
	FTEs	664	617	563	563
	Performance measure: home loans				
	Target:	8,505	9,685	7,627	5,530
	Cost per Measure (unit cost)	13.44	14.98	14.91	19.53
<b>Guaranteed Single Family Housing Purchase and Refinance Loans (Section 502)</b>					
	Program Level	\$15,068,673	\$24,000,000	\$24,000,000	\$24,000,000
	Budget Authority	181,305	0	0	0
	Administrative Costs (Direct)	30,087	70,534	67,007	65,045
	Administrative Costs (Indirect)	77,365	33,192	31,533	30,609
	Total Costs	288,757	103,726	98,540	95,654
	FTEs	920	854	781	781
	Performance measure: home purchase loans				
	Target:	119,230	130,415	178,692	178,692
	Cost per Measure (unit cost)	2.42	0.80	0.55	0.54
<b>Direct Rural Rental Housing Loans (Section 515)</b>					
	Program Level	\$68,130	\$69,511	\$64,478	\$0
	Budget Authority	18,559	23,446	22,000	0
	Administrative Costs (Direct)	27,446	64,344	61,127	59,335
	Administrative Costs (Indirect)	70,576	30,280	28,766	27,923
	Total Costs	116,581	118,070	111,893	87,258
	FTEs	840	779	712	712
	Performance measure: units selected for new const. or rehab.				
	Target:	7,250	3,401	3,677	0
	Cost per Measure (unit cost)	16.08	34.72	30.43	0.00
<b>Guaranteed Multi-Family Housing (Section 538)</b>					
	Program Level	\$129,130	\$30,960	\$130,000	\$150,000
	Budget Authority	1,485	3,000	0	0
	Administrative Costs (Direct)	8,088	18,961	18,013	17,486
	Administrative Costs (Indirect)	20,798	8,923	8,477	8,229
	Total Costs	30,371	30,884	26,490	25,715
	FTEs	247	230	210	210
	Performance measure: units selected for new const. or rehab.				
	Target:	4,909	1,436	3,568	4,338
	Cost per Measure (unit cost)	6.19	21.51	0.00	0.00

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
<b>Housing Repair Loans (Section 504)</b>					
	Program Level	\$25,961	\$23,360	\$10,000	\$0
	Budget Authority	3,336	4,422	0	0
	Administrative Costs (Direct)	2,956	6,930	6,584	6,391
	Administrative Costs (Indirect)	7,601	3,261	3,098	3,007
	Total Costs	13,893	14,613	9,682	9,398
	FTEs	90	84	77	77
	Performance measure: # of families assisted				
	Target:	4,598	4,047	1,740	4,976
	Cost per Measure (unit cost)	3.02	3.61	0.00	0.00
<b>Single and Multi-Family Housing Credit Sales (Non-Program)</b>					
	Program Level	\$2,214	\$16,501	\$10,000	\$0
	Budget Authority	426	850	1,421	3,821
	Administrative Costs (Direct)	765	1,794	1,704	1,655
	Administrative Costs (Indirect)	1,968	844	802	779
	Total Costs	3,159	3,488	3,927	6,255
	FTEs	23	22	20	20
	Performance measure:				
	Target:	89	16	41	0
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Rental Assistance Program (Section 521/502)</b>					
	Program Level	\$978,930	\$955,635	\$904,653	\$907,128
	Budget Authority	978,930	955,635	904,653	907,128
	Administrative Costs (Direct)	6,407	15,021	14,270	13,852
	Administrative Costs (Indirect)	16,476	7,069	6,715	6,519
	Total Costs	1,001,813	977,725	925,638	927,499
	FTEs	196	182	166	166
	Performance measure: Families assisted with new/renewed Sec. 521 RA contracts				
	Target:	219,148	216,654	206,920	207,489
	Cost per Measure (unit cost)	4.57	4.51	4.47	4.47
<b>Farm Labor Housing Loans and Grants (Section 514/516) and Domestic Farm Labor Housing Grants</b>					
	Program Level	\$25,091	\$35,597	\$27,891	\$34,837
	Budget Authority	15,373	19,746	14,200	17,526
	Administrative Costs (Direct)	8,358	19,595	18,615	18,070
	Administrative Costs (Indirect)	21,492	9,221	8,760	8,503
	Total Costs	45,223	48,562	41,575	44,099
	FTEs	256	237	217	217
	Performance measure: units selected for financing or new construction				
	Target:	510	3,154	1,425	1,781
	Cost per Measure (unit cost)	88.67	15.40	29.18	24.76
<b>Rural Housing Voucher Program</b>					
	Program Level	\$10,709	\$14,000	\$11,000	\$12,575
	Budget Authority	10,709	14,000	11,000	12,575
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	10,709	14,000	11,000	12,575
	FTEs	0	0	0	0
	Performance measure:				
	Tenants Protected				
	Target:	2,245	2,684	3,204	3,516
	Cost per Measure (unit cost)	4.77	5.22	3.43	3.58

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
<b>Multifamily Housing Revitalization Program (MHRP): MHRP Modifications, MHRP Zero Percent Loans, MHRP Soft Second Loans, MHRP Grants, (Sec 515) and MHRP Preservation Demo Revolving Loan Fund</b>					
	Program Level	\$26,597	\$29,468	\$2,000	\$58,969
	Budget Authority	27,222	16,000	2,000	34,367
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	27,222	16,000	2,000	34,367
	FTEs	0	0	0	0
	Performance measure: units selected for new const. or rehab.				
	Target:	4,310	2,638	158	4,672
	Cost per Measure (unit cost)	6.32	6.07	0.00	0.00
<b>Mutual Self-Help Loans and Grants (Section 523)</b>					
	Program Level	\$42,686	\$41,966	\$35,000	\$10,000
	Budget Authority	42,686	37,288	30,000	10,000
	Administrative Costs (Direct)	495	1,161	1,103	1,071
	Administrative Costs (Indirect)	1,273	546	519	504
	Total Costs	44,454	38,995	31,622	11,575
	FTEs	15	14	13	13
	Performance measure: # of families who build their own homes				
	Target:	1,243	1,015	1,000	330
	Cost per Measure (unit cost)	35.76	0.00	0.00	0.00
<b>Housing Assistance Grants</b>					
	Program Level	\$43,288	\$40,400	\$33,136	\$28,216
	Budget Authority	43,288	40,400	33,136	28,216
	Administrative Costs (Direct)	10,144	23,781	22,592	21,930
	Administrative Costs (Indirect)	26,084	11,191	10,632	10,320
	Total Costs	79,516	75,372	66,360	60,466
	FTEs	310	288	263	263
	Performance measure:				
	Target:	8,046	7,892	5,897	4,779
	Cost per Measure (unit cost)	9.88	0.00	11.25	12.65
<b>Rural Community Programs - Direct Community Facilities Loans, Guaranteed Community Facility Loans, Community Facility Grants, Rural Community Development Initiative Grants</b>					
	Program Level	\$948,423	\$489,245	\$1,429,999	\$2,025,000
	Budget Authority	69,455	41,462	29,291	25,000
	Administrative Costs (Direct)	33,598	78,767	74,829	72,636
	Administrative Costs (Indirect)	86,395	37,067	35,213	34,182
	Total Costs	189,448	157,296	139,333	131,818
	FTEs	1,028	954	872	872
	Performance measure: Percent of rural population with new or improved public safety services				
	Target:	3.2	4.3	4.7	5.1
	Cost per Measure (unit cost)	59,202.50	36,580.47	29,645.32	25,846.67

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
<b>Direct Community Facility - 2005 Hurricanes Emergency Supplemental, Direct Community Facility - May 6, 2007 Disaster Emergency Supplemental, Direct Community Facility - 2008 Disasters Emer. Supp., Guaranteed Community Facility - 2005 Hurricanes Emer. Supp., Guaranteed Community Facility - 2008 Disasters Emer. Supp., Community Facility Grants - 2003/2004 Hurricanes Emer. Supp., Community Facility Grants - 2005 Hurricanes Emer. Supp., Community Facility Grants - May 6, 2007 Disaster Emer. Supp., Community Facility Grants - 2008 Disasters Emer. Suppl.</b>					
	Program Level	\$92,425	0	0	0
	Budget Authority	16,496	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	16,496	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Guaranteed Single Family Housing Purchase 2005 Hurricanes Emergency Supplemental, Guaranteed Single Family Housing Purchas/Refinance Modifications 2005 Hurricanes Emergency Supplemental, Single Family Housing Purchas May 6, 2007 Disaster Emergency Supplemental (Section 502)</b>					
	Program Level	\$474,300	0	0	0
	Budget Authority	6,830	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	6,830	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Guaranteed Multi-Family Housing Loans May 6, 2007 Disaster Emergency Supplemental and Guaranteed Multi-Family Housing Loans 2008 Disaster Emergency Supplemental (Section 538)</b>					
	Program Level	\$577	0	0	0
	Budget Authority	111	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	111	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Housing Repair Loans Emergency Supplemental, Housing Repair Loans 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Loans 2005 Hurricanes Emergency Supplemental, and Housing Repair Loans May 6, 2007 Disaster Emergency Supplemental (Section 504)</b>					
	Program Level	\$194	0	0	0
	Budget Authority	25	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	25	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
<b>Rural Rental Housing Loans, May 6, 2007, Disaster Emergency Supplemental, Rural Housing Voucher Program 2008 Disasters Emer. Suppl, MFH Revitalization Modification 2008 Disaster Emer. Suppl., MFH Rivitalization Zero Percent Loans 2008 Disasters Suppl., MFH Revitalization Soft Second Loans 2008 Disaster Emer. Suppl., MFH Revitalization Grants Disasters Emer Suppl., (Section 515)</b>					
	Program Level	\$3,081	0	0	0
	Budget Authority	2,245	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	2,245	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Housing Repair Grants Emergency Supplemental, Housing Repair Grants 2003/2004 Hurricanes Emergency Supplemental, Housing Repair Grants 2005 Hurricanes Emergency Supplemental, Housing Repair Grants May 6, 2007 Disaster Emergency Supplemental (Section 504)</b>					
	Program Level	\$3,364	0	0	0
	Budget Authority	3,364	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	3,364	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Direct Community Facility Loans - Stimulus, Community Facility Grants - Stimulus</b>					
	Program Level	\$1,168,960	0	0	0
	Budget Authority	84,832	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	84,832	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	% of pop w/ new or improved services				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
<b>Direct Single Family Housing Loans - Stimulus (Section 502)</b>					
	Program Level	\$1,131,244	0	0	0
	Budget Authority	41,064	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	41,064	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	home loans				
	Target:	9,135	0	0	0
	Cost per Measure (unit cost)	4.50	0	0	0

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
<b>Guaranteed Single Family Housing Purchase Non-Subsidized - Stimulus; Guaranteed Single Family Housing Refinance Non-Subsidized - Stimulus (Section 502)</b>					
	Program Level	\$1,220,771	0	0	0
	Budget Authority	17,782	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	17,782	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	home purchase loans				
	Target: $\frac{S}{}$	8,395	0	0	0
	Cost per Measure (unit cost)	2.12	0.00	0.00	0.00
<b>Total for Secretary's Priorities</b>					
	Program Level	\$22,478,371	\$26,868,049	\$27,558,157	\$27,879,489
	Budget Authority	1,602,318	1,226,449	1,090,271	1,077,603
	Administrative Costs (Direct)	150,058	351,793	334,203	324,414
	Administrative Costs (Indirect)	385,863	165,549	157,272	152,666
	Total Costs	2,138,239	1,743,791	1,581,746	1,554,683
	FTEs	4,589	4,261	3,894	3,894
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A

\* S&E and FTE figures for each program are based on calculations and a best estimate of the personnel involved. Actual staff time by program is not available at this time.

\*\* FY 12 data based on Appropriation.

Totals may not balance due to rounding.