

2011 Explanatory Notes
Rural Housing Service

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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) develop community infrastructure.

Rural Development delivers housing programs authorized by the Housing Act of 1949, as amended, and community facilities programs authorized by the Consolidated Farm and Rural Development Act, as amended.

Section 502 Direct Single Family Housing Loan Program. Provides loans to low- and very-low-income families to purchase, build or rehabilitate a home in rural areas. Financing is 100 percent with payments subsidized to between 22 percent and 26 percent of the applicant's income.

Section 504 Housing Repair and Rehabilitation Loans. Available to very-low-income applicants who own and occupy dwellings in rural areas. Loans of up to \$20,000 may be made to remove health and safety hazards or for repairs or improvements to the home. Loans feature a one percent interest rate and up to a 20-year term.

Section 504 Housing Repair Grants. Available to very low-income elderly families who own and occupy a rural home and cannot afford a Section 504 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 524 Housing Site Development Loans. Available to public and private non-profit organizations, local governments and tribal organizations to buy and develop building sites, including construction of access roads, streets, and utilities in rural areas. Organizations receiving site loans must make the sites available to low- to moderate-income families using Section 502 or similar affordable mortgage financing programs that serve lower-income families.

Section 523 Self-Help Land Development Housing Loans. Available to public and private non-profit organizations, local governments and tribal organizations to buy and develop building sites, including construction of access roads, streets, and utilities in rural areas. Organizations receiving Section 524 site loans must offer the sites to families who will be building their own homes by the self-help method.

Section 523 Mutual Self-Help Grants. Available to public and private non-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 to pay salaries, office rent and related expenses associated with operating the organization.

Section 525 Technical and Supervisory Assistance Grants. Available to non-profits, local governments, and tribal organizations for rural technical assistance programs (i.e. homeownership education and financial counseling). The technical assistance provided through these entities ultimately promotes successful homeownership and helps reduce home loan delinquency

Section 509 Compensation for Construction Defects. Available to Section 502 direct homeowners to repair structural defects in homes constructed by the contractor method. Grants are available only if the contractor refuses or is unable to honor the warranty and only covers defects within 18 months of completion of the home. Funds may also be used for related costs, such as temporary living expenses.

Single Family Housing Credit Sale (Non-Program). Available to individuals to purchase inventory property at non-program rates and terms. Loan terms range from ten years for investors to a maximum of 30 years if the buyer occupies the property. Down payment of two percent to five percent of purchase price is required.

Section 502 Guaranteed Single Family Housing. Families may be eligible to become rural homeowners with the help of a USDA guaranteed home loan. When the Federal government agrees to guarantee a loan, lending institutions can help buyers while incurring less risk. 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. No down payment is required. 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. For purchase loans, a one-time guarantee fee of two percent of the loan amount is charged to the lender, but may be passed on to the buyer. The guarantee fee for refinance transactions is 1.0 percent. In addition, there is an annual fee of 0.15 percent that is charged until 22 percent of the original principal loan amount is paid off.

Community Facilities Direct and Guaranteed Loans and Grants. Provides 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 minimum or maximum loan amounts and the loan term is the useful life of the facility or the limit established by State law.

Section 515 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. 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. 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 and utilities.

Section 533 Housing Preservation Grant Program. Provides funds to repair and rehabilitate housing owned or occupied by rural families with low incomes through grants to non-profit organizations and public bodies.

Section 538 Guaranteed Loan Program. Provides loan guarantees on loans made by public and private approved lenders to build or preserve affordable housing. Loans made for the construction, acquisition, or rehabilitation of rural multi-family housing can be guaranteed up to 90 percent of principal and interest. Loans guaranteed by this program are generally sold in the secondary market. These sales in the secondary market enable greater capital to flow through these rural communities than without these guarantees. Currently, there is no fee charge for these guarantees, and the interest is not subsidized.

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.

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, 2009, there were 6,069 permanent full-time employees in the headquarters office and state and field offices.

OIG/GAO Reports

There are no reports for these programs.

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 the cost of direct loans, and loan guarantees, and 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, [~~\$54,993,000~~]\$41,717,000, to remain available until expended: *Provided*,
 2 [That \$6,256,000 of the amount appropriated under this heading shall be available for a Rural
 3 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 activities, in an amount not less than funds provided: *Provided further*, That \$13,902,000 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 \$3,972,000 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 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 [2009]2010, shall be available through June 30,
 2 [2010]2011, for communities designated by the Secretary of Agriculture as Rural Economic Area
 3 Partnership Zones for the rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act: *Provided further*, That section 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to the funds made available under this heading: *Provided further*, That any prior balances in the Rural Development, Rural Community Advancement Program account for programs authorized by section 306 and described in section 381E(d)(1) of such Act be transferred and merged with this account and any other prior balances from the Rural Development, Rural Community Advancement Program account that the Secretary determines is appropriate to transfer.

The first change removes the language for earmarks of grants which can be funded under the regular rural community facility grant program.

The second change reflects the change of the fiscal year the designation of set-aside for Rural Economic Area Partnership Zones funds is formulated by

The third change modifies the expiration date of set-aside funds for rural economic area partnership zones from June 30, 2010, to June 30, 2011.

RURAL HOUSING SERVICE

Analysis of Change in AppropriationRURAL COMMUNITY FACILITY PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2010.....	\$501,379,277	\$10,490,000	\$44,503,000
Budget Estimate, 2011.....	501,467,974	12,077,000	29,640,000
Increase or decrease in Appropriations.....	<u>88,697</u>	<u>1,587,000</u>	<u>-14,863,000</u>

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:								
Direct loans	\$217,824	\$12,460	\$294,962	\$3,864	\$76 (1)	\$60 (3)	\$295,038	\$3,924
Direct loans - ARRA e/	204,369	11,690	0	0	0	0	0	0
Direct loans - 2005 hurricane em suppl a/	0	0	0	0	0	0	0	0
Direct loans - 2007 disaster supplemental b/	2,430	139	0	0	0	0	0	0
Direct loans - 2008 disaster supplemental c/	75,563	432	0	0	0	0	0	0
Guaranteed loans	178,722	5,505	206,417	6,626	-12 (2)	1,527 (4)	206,405	8,153
Guaranteed loans - 2005 hurri em supp a/	0	0	0	0	0	0	0	0
Guaranteed loans - 2008 disaster supp c/	101,156	3,116	0	0	0	0	0	0
Grants	19,196	19,196	20,373	20,373	9,267	9,267 (5)	29,640	29,640
Grants - ARRA e/	31,118	31,118	0	0	0	0	0	0
Grants - 2003/2004 hurricane em suppl d/	0	0	0	0	0	0	0	0
Grants - 2005 hurricane em supplemental a/	0	0	0	0	0	0	0	0
Grants - 2007 disaster supplemental b/	11,944	11,944	0	0	0	0	0	0
Grants - 2008 disaster supplemental c/	12,712	12,712	0	0	0	0	0	0
Rural community dev initiative grants	4,241	4,241	6,256	6,256	-6,256	-6,256 (6)	0	0
Rural coop home based health care demo	0	0	0	0	0	0	0	0
Hazardous weather early warning grants	0	0	0	0	0	0	0	0
Economic impact initiative grants	10,834	10,834	13,902	13,902	-13,902	-13,902 (7)	0	0
Tribal college grants.....	4,685	4,685	3,972	3,972	-3,972	-3,972 (8)	0	0
Total Available or Estimate	874,794	128,070	545,882	54,993	-14,799	-13,276	531,083	41,717
Total administrative expenses - ARRA e/	0	3,900	0	0	0	0	0	0
Total administrative expenses - 2008 Disasters c/.....	0	1,200	0	0	0	0	0	0
Transfer of unobligated balances	-334,352	-52,000	0	0	0	0	0	0
Recovery of prior year obligations	-106,003	-4,198	0	0	0	0	0	0
Unobligated balance available, start of year	-118,069	-16,490	0	0	0	0	0	0
Unobligated balance available, end of year	1,422,907	133,348	0	0	0	0	0	0
ARRA Appropriation e/	-1,197,299	-130,000	0	0	0	0	0	0
Total Appropriation.....	541,977	63,830	545,882	54,993	-14,799	-13,276	531,083	41,717

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)
(In thousands of dollars)

Item of Change	2009 Actuals		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Community Facility Programs:								
Direct loans.....	\$217,824	\$12,460	\$881,622	\$11,549	-\$586,584	-\$7,625	\$295,038	\$3,924
Direct loans - ARRA <i>e</i> /.....	204,369	11,690	931,761	12,206	-931,761	-12,206	0	0
Direct loans - 2005 hurricane em. suppl. <i>a</i> /.....	0	0	166,920	2,187	-166,920	-2,187	0	0
Direct loans - 2007 disaster supplemental <i>b</i> /.....	2,430	139	32,180	422	-32,180	-422	0	0
Direct loans - 2008 disaster supplemental <i>c</i> /.....	75,563	432	437,724	5,734	-437,724	-5,734	0	0
Guaranteed loans.....	178,722	5,505	265,482	8,522	-59,077	-369	206,405	8,153
Guaranteed loans - 2005 hurri. em supp <i>a</i> /.....	0	0	34,393	1,104	-34,393	-1,104	0	0
Guaranteed loans - 2008 disaster supp <i>c</i> /.....	101,156	3,116	54,031	1,734	-54,031	-1,734	0	0
Grants.....	19,196	19,196	23,276	23,276	6,364	6,364	29,640	29,640
Grants - ARRA <i>e</i> /.....	31,118	31,118	71,086	71,086	-71,086	-71,086	0	0
Grants - 2003/2004 hurricane em. suppl. <i>d</i> /.....	0	0	536	536	-536	-536	0	0
Grants - 2005 hurricane em. supplemental <i>a</i> /.....	0	0	543	543	-543	-543	0	0
Grants - 2007 disaster supplemental <i>b</i> /.....	11,944	11,944	3,739	3,739	-3,739	-3,739	0	0
Grants - 2008 disaster supplemental <i>c</i> /.....	12,712	12,712	11,538	11,538	-11,538	-11,538	0	0
Rural community dev. initiative grants.....	4,241	4,241	12,924	12,924	-12,924	-12,924	0	0
Rural coop. home based health care demo.....	0	0	327	327	-327	-327	0	0
Hazardous weather early warning grants.....	0	0	231	231	-231	-231	0	0
Economic impact initiative grants.....	10,834	10,834	16,360	16,360	-16,360	-16,360	0	0
Tribal college grants.....	4,685	4,685	4,322	4,322	-4,322	-4,322	0	0
Total Available or Estimate.....	874,794	128,070	2,948,995	188,341	-2,417,911	-146,624	531,083	41,717
Total administrative expenses - ARRA <i>e</i> /.....	0	3,900	0	0	0	0	0	0
Total administrative expenses - 2008 Disasters <i>c</i> /.....	0	1,200	0	0	0	0	0	0
Transfer of unobligated balances.....	-334,352	-52,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-106,003	-4,198	0	0	0	0	0	0
Unobligated balance available, start of year.....	-118,069	-16,490	-2,412,350	-133,348	2,412,350	133,348	0	0
Unobligated balance available, end of year.....	1,422,907	133,348	0	0	0	0	0	0
ARRA Appropriation <i>e</i> /.....	-1,197,299	-130,000	0	0	0	0	0	0
Total Appropriation.....	541,977	63,830	536,645	54,993	-5,561	-13,276	531,083	41,717

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/ Provided by the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006, P.L. 109-234, signed June 15, 2006, for necessary expenses related to consequences of Hurricane Katrina and other hurricanes of the 2005 season.
- b/ 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 FY 2009.
- 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.
- d/ Provided by the Emergency Supplemental Appropriations for Hurricanes Disasters Assistance Act of 2005, P.L. 108-324, signed October 13, 2004, for the purpose of serving communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.
- e/ 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.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$75,762 for the direct community facilities loans (\$294,961,832 available in 2010).

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. As State budgets continue to struggle, municipalities increasingly turn to the Federal government for assistance with long-term financing. Direct loans are primarily targeted to health care; fire/rescue and public safety facilities and equipment; and educational facilities, but also can be used to further food security objectives. This program has been used to finance farmers markets as well as community food banks serving unemployed and underemployed residents. The program will be used to fund Healthy Food, Healthy Neighborhoods, and the Regional Innovation Initiatives.

- (2) A decrease of \$12,382 for the guaranteed community facilities loans (\$206,417,445 available in 2010).

The guaranteed loan program serves the same organizations and purposes as the direct loan fund, the difference being that the guaranteed loans are actually made and serviced by a bank or other commercial lender and guaranteed by the Federal government. As a result, the interest rate is generally a competitive commercial rate. The decrease is due to a technical adjustment.

- (3) An increase of \$60,000 for the direct community facilities loan subsidy (\$3,864,000 available in 2010).

The change in the subsidy rate is due to the increase in the estimated Treasury discount rate for these programs.

- (4) An increase of \$1,527,000 for the guaranteed community facilities loan subsidy (\$6,626,000 available in 2010).

The change in the subsidy rate is primarily due to changes in technical assumptions such as defaults and recoveries and the increase in the estimated Treasury discount rate for these programs.

- (5) An increase of \$9,267,000 in the community facility grants (\$20,373,000 available in 2010).

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 (CF) Grants program provides funding for essential community facilities in rural communities with populations of up to 20,000. Priority for grant funding is given to applicants in rural communities with populations of 5,000 or less, and applicants in communities with low median household incomes receive a higher percentage of grant funds.

The increase of funds will be used to support the Healthy Food, Healthy Neighborhoods and Regional Innovation Initiatives. The Healthy Food, Healthy Neighborhoods initiative will support local and regional efforts to increase access to health food, in particular for developing grocery stores and other health food retailers in urban and rural food deserts and other low-income/underserved areas in coordination with other Agencies. In addition, the new Regional Innovation Initiative focuses planning and coordination of USDA and other sources of assistance for rural communities, allowing for communities with the same region working together instead of independently produce more prosperity for all communities involved.

The CF grant program is over-subscribed annually. The funds requested for FY 2011 will allow Rural Development to continue to meet the most pressing needs in our most rural and economically stressed communities.

- (6) A decrease of \$6,256,000 in the rural community development initiative (\$6,256,000 available in 2010).

The rural community development initiative provides grants to organizations to provide training to local governments or other organizations in the areas of housing, community development, and economic development. This program is duplicative; other programs are available which provide similar services and may be more effective. Therefore, the program is zeroed out for FY 2011.

- (7) A decrease of \$13,902,000 in the economic impact initiative grants (\$13,902,000 available in 2010).

The Economic Impact Initiative grants provide assistance to rural communities with extreme unemployment and severe economic depression. In addition, a facility to be financed under this program must have a "not employed rate" greater than 19.5 percent. This program is duplicative; other programs are available which provide similar services and may be more effective. In addition, the regular Community Facilities program can be used to fund these projects. Therefore, the program is zeroed out for FY 2011.

- (8) A decrease of \$3,972,000 in the tribal college grants (\$3,972,000 available in 2010).

The Tribal College grants program provides assistance to the 32 tribal colleges that are 1994 land-grant institutions meeting the criteria of the Equity in Education Land-Grant Status Act of 1994. This program is duplicative; other programs are available which provide similar services and may be more effective. In addition, the regular Community Facilities program can be used to fund these projects. Therefore, the program is zeroed out for FY 2011.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Loan Program - Direct - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$734,300	--	--
Alaska	100,000	--	--
Arkansas	425,000	--	--
California	3,210,200	--	--
Colorado	380,000	--	--
Connecticut	4,000,000	--	--
Florida	722,500	--	--
Georgia	1,280,722	--	--
Idaho	1,814,000	--	--
Illinois	6,130,000	--	--
Indiana	17,390,000	--	--
Iowa	600,000	--	--
Kentucky	30,000	--	--
Louisiana	3,771,000	--	--
Maine	5,062,000	--	--
Massachusetts	1,707,000	--	--
Michigan	10,299,000	--	--
Minnesota	1,950,000	--	--
Mississippi	4,031,532	--	--
Missouri	1,626,679	--	--
Montana	5,324,000	--	--
Nebraska	17,877,300	--	--
New Mexico	35,509,600	--	--
New York	11,920,990	--	--
North Carolina	11,974,910	--	--
North Dakota	622,410	--	--
Ohio	10,200,775	--	--
Oklahoma	563,863	--	--
Oregon	85,000	--	--
Pennsylvania	1,881,000	--	--
South Carolina	2,906,200	--	--
South Dakota	1,143,250	--	--
Tennessee	10,173,000	--	--
Texas	256,700	--	--
Utah	2,100,000	--	--
Vermont	2,735,000	--	--
Virginia	4,745,800	--	--
Washington	3,008,200	--	--
West Virginia	5,394,000	--	--
Wisconsin	10,683,450	--	--
Total Avail./Est.	<u>\$204,369,381</u>	<u>\$931,761,176</u> ^{1/}	<u> </u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Loans
2005 Hurricanes Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$166,919,592</u> ^{1/}	<u> --</u>

Rural Community Facility Loans
2007 Tornados Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kansas	<u>\$2,430,200</u>	<u> --</u>	<u> --</u>
Total Avail./Est.	<u>\$2,430,200</u>	<u>\$32,179,585</u> ^{1/}	<u> --</u>

Rural Community Facility Loan Program
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$8,347,000	--	--
Hawaii	22,470,000	--	--
Iowa	20,784,000	--	--
Kansas	183,600	--	--
Kentucky	8,000,000	--	--
Maine	2,500,000	--	--
Massachusetts	1,335,000	--	--
Minnesota	115,000	--	--
Missouri	4,097,140	--	--
Nebraska	700,000	--	--
Ohio	400,000	--	--
Oklahoma	3,843,705	--	--
Tennessee	268,000	1 --	--
Texas	1,727,200	--	--
Washington	792,500	--	--
Total Avail./Est.	<u>\$75,563,145</u>	<u>\$437,724,282</u> ^{1/}	<u> --</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Loan Program - Guaranteed

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	--	\$4,220,000	\$3,287,000
Alaska	\$200,000	1,429,000	1,140,000
Arizona	--	2,637,000	2,069,000
Arkansas	--	3,119,000	2,440,000
California	1,168,500	4,458,000	3,470,000
Colorado	807,337	2,221,000	1,749,000
Connecticut	--	1,546,000	1,230,000
Delaware	--	1,275,000	1,022,000
Florida	--	4,356,000	3,392,000
Georgia	--	5,351,000	4,157,000
Hawaii	2,664,000	1,321,000	1,057,000
Idaho	775,000	1,782,000	1,412,000
Illinois	1,091,000	3,684,000	2,875,000
Indiana	--	3,770,000	2,941,000
Iowa	3,948,092	2,645,000	2,076,000
Kansas	17,550,000	2,087,000	1,646,000
Kentucky	--	4,339,000	3,379,000
Louisiana	--	3,025,000	2,369,000
Maine	2,700,000	2,155,000	1,699,000
Maryland	--	1,911,000	1,511,000
Massachusetts	4,770,000	1,519,000	1,209,000
Michigan	--	5,243,000	4,074,000
Minnesota	--	3,249,000	2,540,000
Mississippi	--	3,893,000	3,036,000
Missouri	2,143,720	3,817,000	2,977,000
Montana	12,100,000	1,749,000	1,386,000
Nebraska	11,500,000	1,770,000	1,403,000
Nevada	--	1,625,000	1,291,000
New Hampshire	884,800	1,656,000	1,315,000
New Jersey	490,000	1,511,000	1,203,000
New Mexico	--	1,822,000	1,443,000
New York	--	4,229,000	3,294,000
North Carolina	17,231,481	5,821,000	4,519,000
North Dakota	20,415,725	1,383,000	1,102,000
Ohio	7,000,000	5,150,000	4,003,000
Oklahoma	2,500,000	2,891,000	2,265,000
Oregon	12,389,000	2,349,000	1,848,000
Pennsylvania	17,530,389	4,882,000	3,796,000
Rhode Island	--	1,081,000	873,000
South Carolina	--	3,928,000	3,063,000
South Dakota	825,000	1,563,000	1,243,000
Tennessee	150,000	4,729,000	3,679,000
Texas	10,802,500	5,821,000	4,519,000
Utah	8,760,000	1,486,000	1,184,000
Vermont	340,000	1,590,000	1,265,000
Virginia	--	3,793,000	2,959,000
Washington	10,639,000	2,686,000	2,107,000
West Virginia	250,000	2,377,000	1,869,000
Wisconsin	6,096,400	3,470,000	2,710,000
Wyoming	--	1,280,000	1,026,000
Puerto Rico	--	1,725,000	1,368,000
Virgin Islands	--	1,000,000	810,000
W. Pacific Areas	1,000,000	1,000,000	810,000
Undistributed	--	116,063,492	89,295,000
Total Avail./Est.	<u>\$178,721,944</u>	<u>\$265,482,492</u>	<u>\$206,405,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Loan Program - Guaranteed
2005 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	--	\$34,392,523 ^{1/}	--

Rural Community Facility Loan Program - Guaranteed
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Hawaii	\$7,100,000	--	--
Iowa	40,935,695	--	--
Kansas	3,000,000	--	--
Kentucky	14,206,000	--	--
Maine	300,000	--	--
Missouri	15,000,000	--	--
Nebraska	15,700,000	--	--
New Hampshire	400,000	--	--
Oklahoma	2,244,290	--	--
South Dakota	150,000	--	--
Vermont	2,120,000	--	--
Total Avail./Est.	<u>\$101,155,985</u>	<u>\$54,031,017 ^{1/}</u>	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$829,237	\$556,000	\$685,000
Alaska	110,440	112,000	198,000
Arizona	61,022	320,000	427,000
Arkansas	410,860	372,000	484,000
California	527,330	572,000	704,000
Colorado	295,249	223,000	320,000
Connecticut	117,090	123,000	210,000
Delaware	162,817	97,000	182,000
Florida	198,750	564,000	694,000
Georgia	725,460	663,000	804,000
Hawaii	227,092	88,000	172,000
Idaho	163,960	168,000	260,000
Illinois	444,950	351,000	461,000
Indiana	335,850	394,000	508,000
Iowa	283,980	256,000	356,000
Kansas	14,000	198,000	293,000
Kentucky	663,706	545,000	674,000
Louisiana	353,810	366,000	477,000
Maine	263,700	219,000	316,000
Maryland	190,796	188,000	282,000
Massachusetts	132,810	143,000	232,000
Michigan	1,223,670	566,000	697,000
Minnesota	432,000	323,000	430,000
Mississippi	770,862	468,000	590,000
Missouri	473,925	441,000	560,000
Montana	74,940	156,000	246,000
Nebraska	163,279	161,000	252,000
Nevada	104,878	145,000	234,000
New Hampshire	105,520	147,000	237,000
New Jersey	192,426	146,000	235,000
New Mexico	287,489	186,000	279,000
New York	407,960	492,000	613,000
North Carolina	1,139,435	707,000	853,000
North Dakota	55,107	118,000	205,000
Ohio	621,350	548,000	678,000
Oklahoma	750,422	334,000	442,000
Oregon	77,690	205,000	300,000
Pennsylvania	921,200	557,000	688,000
Rhode Island	29,120	78,000	161,000
South Carolina	314,900	473,000	595,000
South Dakota	190,260	146,000	235,000
Tennessee	1,003,960	569,000	700,000
Texas	1,075,212	707,000	853,000
Utah	86,753	133,000	221,000
Vermont	262,190	134,000	222,000
Virginia	470,530	459,000	580,000
Washington	118,900	288,000	392,000
West Virginia	297,300	285,000	388,000
Wisconsin	423,800	361,000	472,000
Wyoming	152,900	97,000	182,000
Puerto Rico	295,270	201,000	296,000
Virgin Islands	--	75,000	157,000
W. Pacific Areas	159,612	75,000	157,000
Undistributed	--	6,977,323	7,751,000
Total Avail./Est.	<u>\$19,195,769</u>	<u>\$23,276,323</u>	<u>\$29,640,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Grants - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$9,180	--	--
Alaska	1,136,385	--	--
Arkansas	2,098,000	--	--
California	2,893,991	--	--
Colorado	244,113	--	--
Connecticut	315,620	--	--
Delaware	70,000	--	--
Florida	250,000	--	--
Georgia	367,550	--	--
Idaho	190,000	--	--
Illinois	234,059	--	--
Indiana	285,610	--	--
Iowa	2,583,983	--	--
Kansas	90,000	--	--
Kentucky	948,887	--	--
Louisiana	362,746	--	--
Maine	296,500	--	--
Maryland	495,789	--	--
Massachusetts	13,570	--	--
Michigan	1,148,000	--	--
Minnesota	537,200	--	--
Mississippi	2,552,545	--	--
Missouri	2,480,150	--	--
Montana	387,000	--	--
Nebraska	42,950	--	--
Nevada	122,390	--	--
New Hampshire	252,820	--	--
New Mexico	555,500	--	--
New York	756,000	--	--
North Carolina	1,708,688	--	--
North Dakota	180,920	--	--
Ohio	581,050	--	--
Oklahoma	777,192	--	--
Oregon	50,000	--	--
Pennsylvania	301,000	--	--
South Carolina	521,500	--	--
South Dakota	447,880	--	--
Tennessee	530,200	--	--
Texas	322,930	--	--
Utah	304,550	--	--
Vermont	487,888	--	--
Virginia	2,388,875	--	--
Washington	120,240	--	--
West Virginia	252,200	--	--
Wisconsin	422,000	--	--
Total Avail./Est.	<u>\$31,117,651</u>	<u>\$71,086,349</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Grants
2003/2004 Hurricanes for Natural Disaster

	2009	2010	2011
Total Avail./Est.	--	\$535,687 <u>1/</u>	--

Rural Community Facility Grants
2005 Hurricanes for Natural Disaster

	2009	2010	2011
Total Avail./Est.	--	\$542,570 <u>1/</u>	--

Rural Community Facility Grants
2007 Tornadoes Disasters

	2009	2010	2011
Kansas	\$11,943,800	--	--
Total Avail./Est.	\$11,943,800	\$3,739,340 <u>1/</u>	--

Rural Community Facility Grants
2008 Disasters

	2009	2010	2011
Arkansas	\$1,078,000	--	--
Illinois	8,100	--	--
Indiana	186,700	--	--
Iowa	2,146,341	--	--
Kansas	120,515	--	--
Kentucky	191,098	--	--
Louisiana	187,731	--	--
Massachusetts	102,360	--	--
Michigan	103,000	--	--
Minnesota	32,000	--	--
Mississippi	419,750	--	--
Missouri	1,329,328	--	--
Montana	50,000	--	--
Nebraska	54,200	--	--
Nevada	32,417	--	--
New Hampshire	30,000	--	--
Tennessee	380,000	--	--
Texas	4,719,540	--	--
Vermont	79,200	--	--
Washington	722,500	--	--
West Virginia	213,350	--	--
Wisconsin	526,000	--	--
Total Avail./Est.	\$12,712,130	\$11,537,870 <u>1/</u>	--

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Development Initiative Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$486,000	--	--
Hawaii	374,475	--	--
Indiana	200,000	--	--
Iowa	522,950	--	--
Louisiana	261,475	--	--
Maine	457,104	--	--
Maryland	371,451	--	--
Massachusetts	522,950	--	--
Minnesota	461,475	--	--
New York	156,000	--	--
Tennessee	261,475	--	--
Utah	105,700	--	--
Washington	60,000	--	--
Total Avail./Est.	<u>\$4,241,055</u>	<u>\$12,923,988</u> ^{1/}	<u>--</u>

Rural Cooperative Home Based Health Care Demo Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$327,227</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Hazardous Weather Early Warning Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	--	<u>\$231,161</u> ^{1/}	--

Tribal College Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$220,000	--	--
Arizona	220,000	--	--
Michigan	220,000	--	--
Minnesota	419,125	--	--
Montana	1,540,000	--	--
Nebraska	85,500	--	--
North Dakota	880,000	--	--
South Dakota	440,000	--	--
Washington	220,000	--	--
Wisconsin	440,000	--	--
Total Avail./Est.	<u>\$4,684,625</u>	<u>\$4,322,000</u> ^{1/}	--

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Economic Impact Initiative Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	--	\$382,000	--
Alaska	\$475,140	100,000	--
Arizona	166,780	232,000	--
Arkansas	597,000	265,000	--
California	140,250	393,000	--
Colorado	192,447	170,000	--
Connecticut	--	107,000	--
Delaware	82,220	90,000	--
Florida	--	387,000	--
Georgia	373,420	450,000	--
Hawaii	192,480	84,000	--
Idaho	--	135,000	--
Illinois	164,882	252,000	--
Indiana	--	280,000	--
Iowa	152,910	192,000	--
Kansas	127,480	155,000	--
Kentucky	415,275	376,000	--
Louisiana	206,480	262,000	--
Maine	139,300	168,000	--
Maryland	167,250	148,000	--
Massachusetts	102,630	119,000	--
Michigan	772,000	389,000	--
Minnesota	121,500	234,000	--
Mississippi	516,862	326,000	--
Missouri	250,330	310,000	--
Montana	--	128,000	--
Nebraska	119,861	131,000	--
Nevada	--	121,000	--
New Hampshire	100,000	122,000	--
New Jersey	301,020	122,000	--
New Mexico	128,420	147,000	--
New York	86,350	342,000	--
North Carolina	193,880	478,000	--
North Dakota	96,830	104,000	--
Ohio	--	377,000	--
Oklahoma	180,494	241,000	--
Oregon	--	159,000	--
Pennsylvania	306,190	383,000	--
Rhode Island	--	78,000	--
South Carolina	223,250	330,000	--
South Dakota	207,010	122,000	--
Tennessee	520,220	391,000	--
Texas	--	478,000	--
Utah	150,000	114,000	--
Vermont	88,885	114,000	--
Virginia	1,114,193	321,000	--
Washington	27,200	212,000	--
West Virginia	183,530	210,000	--
Wisconsin	133,500	258,000	--
Wyoming	--	90,000	--
Puerto Rico	493,231	157,000	--
Virgin Islands	--	75,000	--
W. Pacific Areas	518,730	75,000	--
Undistributed	--	4,474,416	--
Total Avail./Est.	<u>\$10,529,430</u>	<u>\$16,360,416</u>	<u>--</u>

^{1/} Does not include Administrative Expense obligations.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Community Facility Loan Program - Direct

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$1,148,187	\$7,884,000	\$2,670,000
Alaska	2,750,000	2,156,000	760,000
Arizona	11,679,706	4,634,000	1,586,000
Arkansas	2,808,000	5,623,000	1,916,000
California	4,884,486	8,372,000	2,832,000
Colorado	3,335,840	3,782,000	1,302,000
Connecticut	2,797,000	2,395,000	840,000
Delaware	100,000	1,838,000	654,000
Florida	--	8,164,000	2,763,000
Georgia	3,158,147	10,206,000	3,444,000
Hawaii	3,546,922	1,934,000	686,000
Idaho	2,779,000	2,880,000	1,002,000
Illinois	834,100	6,784,000	2,303,000
Indiana	450,000	6,961,000	2,362,000
Iowa	4,685,000	4,651,000	1,592,000
Kansas	151,400	3,507,000	1,211,000
Kentucky	5,307,000	8,128,000	2,751,000
Louisiana	5,236,000	5,431,000	1,852,000
Maine	4,059,950	3,646,000	1,257,000
Maryland	7,908,600	3,144,000	1,090,000
Massachusetts	1,930,000	2,340,000	822,000
Michigan	10,329,140	9,983,000	2,269,000
Minnesota	2,341,000	5,891,000	2,005,000
Mississippi	4,832,961	7,214,000	2,446,000
Missouri	4,622,000	7,056,000	2,394,000
Montana	36,300	2,811,000	979,000
Nebraska	9,796,000	2,856,000	994,000
Nevada	25,000	2,558,000	894,000
New Hampshire	--	2,622,000	916,000
New Jersey	4,405,000	2,323,000	816,000
New Mexico	6,910,459	2,962,000	1,029,000
New York	5,423,090	7,901,000	2,675,000
North Carolina	12,892,565	11,170,000	3,765,000
North Dakota	617,300	2,061,000	729,000
Ohio	10,181,350	9,793,000	3,306,000
Oklahoma	4,760,594	5,156,000	1,760,000
Oregon	9,000,000	4,044,000	1,390,000
Pennsylvania	12,850,140	9,242,000	3,122,000
Rhode Island	--	1,442,000	522,000
South Carolina	--	7,284,000	2,470,000
South Dakota	1,741,800	2,431,000	853,000
Tennessee	8,014,400	8,928,000	3,018,000
Texas	6,545,237	11,170,000	3,765,000
Utah	3,240,000	2,273,000	799,000
Vermont	441,950	2,486,000	870,000
Virginia	13,480,284	7,007,000	2,377,000
Washington	4,233,000	4,736,000	1,620,000
West Virginia	5,104,000	4,102,000	1,409,000
Wisconsin	4,749,300	6,344,000	2,156,000
Wyoming	96,000	1,849,000	658,000
Puerto Rico	1,125,800	2,764,000	963,000
Virgin Islands	--	1,275,000	467,000
W. Pacific Areas	480,000	1,275,000	467,000
Undistributed	--	616,152,662	205,440,000
Total Avail./Est.	<u>\$217,824,008</u>	<u>\$881,621,662</u>	<u>\$295,038,000</u>

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RURAL HOUSING SERVICE

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$5,100,000	\$0	\$0
41 Grants, subsidies, and contributions.....	<u>131,960,381</u>	<u>188,341,018</u>	<u>41,717,000</u>
Total direct obligations.....	<u>137,060,381</u>	<u>188,341,018</u>	<u>41,717,000</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)

1 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: [~~\$13,121,488,000~~]\$13,200,000,000 for loans to section 502 borrowers, of which [~~\$1,121,488,000~~]\$1,200,000,000 shall be for direct loans, and of which \$12,000,000,000 shall be for unsubsidized guaranteed loans without regard to section 710 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (Public Law 109-97); [~~\$34,412,000~~]\$34,004,000 for section 504 housing repair loans; [~~\$69,512,000~~]\$95,236,000 for section 515 rental housing; [~~\$129,090,000~~]\$129,133,000 for section 538 guaranteed multi-family housing loans; [~~\$5,045,000~~]\$5,052,000 for section 524 site loans; [~~\$11,448,000~~]\$11,449,000 for credit sales of acquired property, of which up to [~~\$1,448,000~~]\$1,449,000 may be for multi-family credit sales; and [~~\$4,970,000~~]\$4,966,000 for section 523 self-help housing land development loans.

2,3 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, [~~\$213,510,000~~, of which \$40,710,000]\$75,120,000 shall be for direct loans[, and of which \$172,800,000, to remain available until expended, shall be for unsubsidized guaranteed loans]; section 504 housing repair loans, [~~\$4,422,000~~]\$6,437,000; repair, rehabilitation, and new construction of section 515 rental housing, [~~\$18,935,000~~]\$32,123,000; section 538 multi-family housing guaranteed loans, [~~\$1,485,000~~]\$12,513,000; section 524 site development loans, 4 \$294,000; [and] credit sales of acquired property, \$556,000; and section 523 self-help land 5,6 development housing loans, \$288,000: *Provided*, 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 7,8 [2009]2010 shall be available through June 30, [2010]2011 for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: *Provided further*, That section 538 multi-family housing guaranteed loans funded pursuant to this paragraph shall not be subject to a guarantee fee and the interest on such loans may not be subsidized: *Provided further*, That any balances for a demonstration program for the preservation and revitalization of the section 515 multi-family rental housing properties as authorized by Public Law 109-97,[and] 9 Public Law 110-5, and Public Law 111-80 shall be transferred to and merged with the "Rural Housing Service, Multi-family Housing Revitalization Program Account" 10

11 In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [~~\$468,593,000~~]\$454,383,000, shall be [transferred and merged with]paid to the appropriation for "Rural Development, Salaries and Expenses"

The first change imposes limits on the section 502 guaranteed loan levels.

The second change provides funding to section 502 direct loans only

The third change eliminates funding for unsubsidized guaranteed loans as well as the period of funding availability

The fourth change includes the subsidy costs for section 524.

The fifth change removes the word "and"

The sixth change includes the subsidy costs for section 523.

The seventh change modifies the fiscal year from 2010 to 2011.

The eighth change modifies the availability of set-aside funds for rural economic area partnership zones from June 30, 2010 to June 30, 2011.

The ninth change removes the word "and"

The tenth change adds Public Law 111-80.

The eleventh change updates the administrative funding level and provides authority to move the funds to the Rural Development, Salaries and Expense account.

RURAL HOUSING SERVICE

Analysis of Change in AppropriationRURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(On basis of loan level, subsidy, and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Appropriations Act, 2010.....	\$13,337,568,461	\$238,908,000	\$468,593,000
Budget Estimate, 2011.....	<u>13,479,839,161</u>	<u>127,331,000</u>	<u>454,383,000</u>
Increase or Decreases in Appropriations.....	<u>142,270,700</u>	<u>-111,577,000</u>	<u>-14,210,000</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and administrative expenses)

(In thousands of dollars)

Item of Change	Actual 2009		Estimated 2010		Increase or Decrease		Estimated 2011	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing (SFH) direct loans	\$1,121,215	\$75,346	\$1,121,488	\$40,710	\$78,512 (1)	\$34,410 (4)	\$1,200,000	\$75,120
SFH direct loans - emergency supplemental a/	0	0	0	0	0	0	0	0
SFH direct loans - 2005 hurricanes emergency supplemental b/	18,579	1,249	0	0	0	0	0	0
SFH direct loans - 2007 emergency supplemental g/	95	6	0	0	0	0	0	0
SFH direct loans - ARRA i/	267,124	17,951	0	0	0	0	0	0
SFH direct loans - 2008 disasters emer supplemental h/	48,846	3,282	0	0	0	0	0	0
SFH guaranteed loans - purchase	5,634,038	71,552	11,961,563	172,800	38,437 (9)	-172,800 (5)	12,000,000	0
SFH guaranteed loans - refinance	39,201	384	0	0	0	0	0	0
SFH guar 2005 hurricanes emergency supplemental b/	582,025	7,392	0	0	0	0	0	0
SFH guar 2007 emergency supplemental g/	192	2	0	0	0	0	0	0
SFH guar 2008 disasters h/	920,272	11,687	0	0	0	0	0	0
SFH guaranteed loans - purchase - ARRA i/	8,557,498	108,679	0	0	0	0	0	0
SFH guaranteed loans - refinance - ARRA i/	482,013	4,724	0	0	0	0	0	0
Rural rental housing direct loans	67,738	27,881	69,512	18,935	25,724 (2)	13,188 (6)	95,236	32,123
Multi-family housing guaranteed loans	120,852	8,080	129,130	1,485	3 (3)	11,028 (7)	129,133	12,513
Multi-family housing guaranteed loans 2008 dis emer supp h/	11,663	749	0	0	0	0	0	0
Housing repair direct loans	26,814	7,205	34,412	4,422	-408 (3)	2,015 (7)	34,004	6,437
Housing repair direct loans - emergency supplemental a/	3	1	0	0	0	0	0	0
Housing repair direct loans - 2005 hurricanes emergency supp. b/	208	56	0	0	0	0	0	0
Site development direct loans g/	599	0	5,045	0	7 (3)	294 (7)	5,052	294
Self-help housing land dev loans i/	0	0	4,970	0	-4 (3)	288 (7)	4,966	288
Single-family housing credit sales d/	1,032	0	10,000	0	0	0	10,000	0
Multi-family housing credit sales.....	1,448	523	1,448	556	1 (3)	0	1,449	556
Total Available on Estimate	17,901,454	346,749	13,337,568	238,908	142,271	-111,577	13,479,839	127,331
Total administrative expenses e/	0	460,217	0	468,593	0	-14,210 (8)	0	454,383
Total administrative expenses - ARRA i/	0	6,000	0	0	0	0	0	0
Total administrative expenses - 2008 disasters h/.....	0	1,380	0	0	0	0	0	0
Recovery of prior year obligations	-30,000	-1,372	0	0	0	0	0	0
Unobligated balance available, start of year	-134,989	-9,140	0	0	0	0	0	0
Unobligated balance available, end of year	3,981,291	122,732	0	0	0	0	0	0
Transferred to Working Capital	8,970	1,157	0	0	0	0	0	0

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PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and administrative expenses)

(In thousands of dollars)

Item of Change	Actual 2009		Estimated 2010		Increase or Decrease		Estimated 2011	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Transfer of unobligated balance - 2005 hurricanes emer. from RD disaster assistance fund.....	-1,319,308	-23,000	0	0	0	0	0	0
Transfer of unobligated balance - 2008 disasters from RD disaster assistance fund.....	-1,514,700	-44,620	0	0	0	0	0	0
Tornado transferred to CF grants g/.....	4,923	1,065	0	0	0	0	0	0
ARRA Appropriations j/.....	-11,296,641	-200,000	0	0	0	0	0	0
Total loans and subsidies.....	7,601,001	200,951	13,337,568	238,908	142,271	-111,577	13,479,839	127,331
Total administrative expenses.....	0	460,217	0	468,593	0	-14,210	0	454,383

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	Actual 2009		Estimated 2010		Increase or Decrease		Estimated 2011	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Single family housing (SFH) direct loans.....	\$1,121,215	\$75,346	\$1,121,488	\$40,710	\$78,512	\$34,410	\$1,200,000	\$75,120
SFH direct loans - emergency supplemental a/.....	0	0	2,106	76	-2,106	-76	0	0
SFH direct loans - 2005 hurricanes emergency supplemental b/.....	18,579	1,249	183,048	6,645	-183,048	-6,645	0	0
SFH direct loans - 2007 emergency supplemental g/.....	95	6	13,005	472	-13,005	-472	0	0
SFH direct loans - ARRA i/.....	267,124	17,951	1,295,847	47,039	-1,295,847	-47,039	0	0
SFH direct loans - 2008 disasters emer. supplemental h/.....	48,846	3,282	711,597	25,831	-711,597	-25,831	0	0
SFH guaranteed loans - purchase.....	5,634,038	71,552	12,346,097	177,784	-346,097	-177,784	12,000,000	0
SFH guaranteed loans - refinance.....	39,201	384	200,609	3,450	-200,609	-3,450	0	0
SFH guar. 2005 hurricanes emergency supplemental b/.....	582,025	7,392	622,530	8,964	-622,530	-8,964	0	0
SFH guar. 2007 emergency supplemental g/.....	192	2	13,504	194	-13,504	-194	0	0
SFH guar. 2008 disasters h/.....	920,272	11,687	131,427	1,893	-131,427	-1,893	0	0
SFH guaranteed loans - purchase - ARRA i/.....	8,557,498	108,679	1,007,673	14,510	-1,007,673	-14,510	0	0
SFH guaranteed loans - refinance - ARRA i/.....	482,013	4,724	63,776	1,097	-63,776	-1,097	0	0
Rural rental housing direct loans.....	67,738	27,881	69,512	18,935	25,724	13,188	95,236	32,123
Rural rental housing direct loans - 2007 emergency suppl. g/.....	0	0	1,403	382	-1,403	-382	0	0
Multi-family housing guaranteed loans.....	120,852	8,080	129,130	1,485	3	11,028	129,133	12,513
Multi-family housing guaranteed loans - No Year.....	0	0	12,357	142	-12,357	-142	0	0
Multi-family housing guaranteed loans 2008 dis. emer. supp. h/.....	11,663	749	6,178	1,191	-6,178	-1,191	0	0
Housing repair direct loans.....	26,814	7,205	34,412	4,422	-408	2,015	34,004	6,437
Housing repair direct loans - emergency supplemental a/.....	3	1	6,872	883	-6,872	-883	0	0
Housing repair direct loans - 2003/2004 hurricanes emerg. supp. f/.....	0	0	33,585	4,316	-33,585	-4,316	0	0
Housing repair direct loans - 2005 hurricanes emergency supp. b/.....	208	56	857	110	-857	-110	0	0
Housing repair direct loans - 2007 emergency supplemental g/.....	0	0	119	15	-119	-15	0	0
Direct farm labor loans disaster.....	0	0	1,483	536	-1,483	-536	0	0
Site development direct loans g/.....	599	0	5,045	0	7	294	5,052	294
Self-help housing land dev. loans i/.....	0	0	4,970	0	-4	288	4,966	288
Single-family housing credit sales d/.....	1,032	0	10,000	0	0	0	10,000	0
Multi-family housing credit sales.....	1,448	523	1,448	556	1	0	1,449	556
Total Available or Estimate.....	17,901,454	346,749	18,030,078	361,640	-4,550,239	-234,309	13,479,839	127,331
Total administrative expenses g/.....	0	460,217	0	468,593	0	-14,210	0	454,383
Total administrative expenses - ARRA i/.....	0	6,000	0	0	0	0	0	0
Total administrative expenses - 2008 disasters h/.....	0	1,380	0	0	0	0	0	0
Recovery of prior year obligations.....	-30,000	-1,372	0	0	0	0	0	0
Unobligated balance available, start of year.....	-134,989	-9,140	-4,789,914	-122,732	0	0	0	0
Unobligated balance available, end of year.....	3,981,291	122,732	0	0	0	0	0	0
Transferred to Working Capital.....	8,970	1,157	0	0	0	0	0	0

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PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	Actual 2009		Estimated 2010		Increase or Decrease		Estimated 2011	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Transfer of unobligated balance - 2005 hurricanes emer from RD disaster assistance fund	-1,319,308	-23,000	0	0	0	0	0	0
Transfer of unobligated balance - 2008 disasters from RD disaster assistance fund	-1,514,700	-44,620	0	0	0	0	0	0
Tornado transferred to CF grants <u>g/</u>	4,923	1,065	0	0	0	0	0	0
ARRA Appropriations <u>i/</u>	-11,296,641	-200,000	0	0	0	0	0	0
Total loans and subsidies	7,601,001	200,951	13,240,164	238,908	142,271	-111,577	13,479,839	127,331
Total administrative expenses.....	0	460,217	0	468,593	0	-14,210	0	454,383

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 Omnibus Appropriations Act FY 2000, P.L. 106-113, dated November 29, 1999 and FY 2000 Emergency Supplemental Appropriations Act, P.L. 106-246, dated July 13, 2000.
- b/ 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.
- c/ Negative subsidy rates of 1.84% and 4.22% were calculated for FY 2009 and FY 2010, respectively. Therefore, corresponding budget authority is not required to support the loan levels.
- d/ Negative subsidy rates of 2.59%, 15.63%, and 11.12% were calculated for FY 2009, FY 2010 and FY 2011, respectively. Therefore, corresponding budget authority is not required to support the loan level.
- e/ In FY 2009, funding of \$460,217,000 was appropriated and transferred to the Rural Development Salaries and Expense Account. In FY 2010, funding of \$468,593,000 was appropriated and transferred to the Rural Development Salaries and Expense Account. In FY 2011, funding of \$454,383,000 is requested and will be paid to the Rural Development Salaries and Expense Account.
- f/ Provided by the Emergency Hurricane Supplemental Appropriations for Disaster Assistance Act of 2005, P.L. 108-324, signed October 13, 2004, for the purpose of serving communities affected by tropical storms and hurricanes during calendar years 2003 and 2004.
- g/ 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.
- h/ Transferred 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, 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.
- i/ 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.
- j/ Negative subsidy rate of 2.21% was calculated for 2010. Therefore, corresponding budget authority is not required to support the loan level.

JUSTIFICATION OF INCREASES AND DECREASES

- 1) An increase of \$78,512,000 in single family direct housing insurance fund loans (\$1,121,488,000 available in 2010).

To support the goal of providing housing to the most rural, the neediest residents, the 2011 budget includes an increase for the 502 direct program to support a loan level of \$1.2 billion. The Section 502 direct loan program expects to fund approximately 9,100 loans in FY 2011. These funds will result in an additional 600 homes being financed over what would have been possible with the \$1.121 billion level for the program.

- (2) An increase of \$25,724,000 in direct rural rental housing loans (\$69,512,000 available in 2010).

The 2011 budget increases the 515 direct loan level to \$95 million. The proposed increase reflects growing demand for new construction and revitalization of the multi-family housing portfolio where the average property age now exceeds 30 years. The increase will enable the Department to build new Section 515 properties along with the proposed new construction rental assistance. The increase will also provide a limited amount of funding for rehabilitation and repair of a limited amount of aging properties.

- (3) A decrease of \$401,000 in loan level for the guaranteed multi-family housing, housing repair and rehabilitation, site development direct, self-help housing land development, and multi-family credit sales loans (\$185,005,000 available in 2010).

The decrease is due to rounding and changes in subsidy rates. With the adjustments to these accounts, the budget provides approximately the same amount of program level available in FY 2010.

- (4) An increase of \$34,410,000 in loan subsidy for direct housing insurance funds loans (\$40,710,000 available in 2010).

The requested subsidy amount supports the estimated loan obligations associated with the requested FY 2011 loan levels for the direct single family housing loans program. The amount is significantly increased because the subsidy rate increased from 3.63 percent to 6.26 percent.

- (5) A decrease of \$172,800,000 in loan subsidy for guaranteed housing insurance fund loans (\$172,800,000 available in 2010).

The budget does not request budget authority for this program. A loan level of \$12 billion will be supported by establishing a fee structure that will eliminate the subsidy cost for all new purchases. This fee structure will be similar to that of HUD's FHA guaranteed loans. The up-front fee on new purchase loans will remain 2 percent, but an annual fee of 0.15 percent will be added to both new and refinanced loans. In addition, the up-front fee for refinanced loan guarantees will be increased to 1 percent. This change allows the subsidy for the loans to be completely offset without a significant additional burden to the borrowers, given that they can finance the up-front fee as part of the loan and the annual fee will be a nominal amount added to the monthly payment. This allows RHS to provide about the same level as in 2010, \$12 billion, with no budget authority.

The fee change is achieved through a General Provision (GP). There are two GPs that affect the 502 Single Family Housing Guarantee loan program and they are as follows:

General Provision 720:

(a) Section 502 (h)(8) of the Housing Act of 1949 (42 U.S.C. 1472 (h) (8)) is amended by striking "1" and inserting in lieu thereof "2" and inserting at the end thereof the following new sentence: "In addition, the Secretary may collect from the lender an annual fee of equal to but not more than 0.5 percent of the outstanding principal balance of the loan for the life of the loan."

(b) Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (H.R. 5426 as enacted by Public Law 106-387, 115 Stat. 1549A-34) is repealed.

Part (a) of this language will codify the 2 percent up-front fee on the section 502 single family housing guaranteed loans. Current law for this program is a 2 percent up-front fee, but the U.S. Code has not been formally changed to reflect this. Updating this in the code will reduce confusion on what the current law is on this program. This language provide new authority for the section 502 single family housing guaranteed loan program to change an annual fee, similar to HUD's FHA program. The cap on the annual fee of 0.50 is higher than what RHS is actually proposing to charge in 2011, which is 0.15. The cap is set to provide a small amount of flexibility in the annual fee to ensure that the program can maintain a negative subsidy rate for the program cost.

The language for part (b) repeals the appropriations language where the 2 percent up-front fee in now located in law, it is no longer needed once Part (a) is passed.

General Provision . 722:

In carrying out subsection (h) of section 502 of the Housing Act of 1949, the Secretary may use the authority described in subsections (h) and (j) of section 538 of such Act.

This language will allow the section 502 single family housing guaranteed loan program to be a direct endorsement program just like FHA guarantees and VA home loan guarantees. Specifically, this will allow lenders to issue the guarantee on behalf of the Federal government without the RHS have to approve in a separate step. Currently the section 538 multifamily housing loan guarantee program has the authority to operate as a direct endorsement loan guarantee. The language is written to refer to the authorities in the 538 program and make them applicable to the section 502 single family housing guaranteed loan program. By making the section 502 single family housing guaranteed loan program a direct endorsement program, RHS will be able to be more efficient with its staff resources and dedicate more time to reviewing section 502 single family housing direct loan originations.

- (6) An increase of \$13,188,000 in subsidy for direct rural rental housing loans (\$18,935,000 available in 2010).

The proposed increase supports the estimated loan obligations associated with the requested FY 2011 loan levels for the direct rural rental housing loans program. The increase is due to an increase in the subsidy rate from 27.24 percent to 33.73 percent and the growing demand for new construction.

- (7) An increase of \$13,625,000 in loan subsidy for guaranteed multi-family housing, housing repair and rehabilitation, site development, and self-help housing land development (\$6,463,000 available in 2010).

The proposed increase supports the estimated loan obligations associated with the requested loan level in FY 2011. The increase in subsidy rates is a result of an annual technical assumption, increase in default rates, and interest changes as forecasted in the President's 2011 budget economic assumptions.

- (8) A decrease of \$14,210,000 in administrative expenses (\$468,593,000 available in 2010).

Justification for administrative expenses in the amount of \$454,383,000 and the associated staff-years are reflected in the Rural Development Salaries and Expenses Project Statement.

- (9) An increase of \$38,436,692 in single family guaranteed housing insurance fund loans (\$11,961,563,308 available in 2010).

The 2010 enacted level would have been \$12 billion if RHS had executed solely new/purchase single family housing loan guarantees. However, some of the BA was used to provide a small amount of refinancing. The 2010 purchase subsidy rate was slightly lower than the refi subsidy rate. Therefore, the total loan level in 2010 is slightly below \$12 billion. For the 2011 budget, RHS is providing the \$12 billion loan level that was anticipated in 2010, rather than the actual. In addition, the 2011 budget blends the new/purchase subsidy rate with the refi subsidy rate for one 502 guarantee rate. This change will alleviate small differences in expected loan levels v. actual going forward and reduce confusion.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single Family Housing Direct Loans

	<u>2009</u>	<u>2010</u>	<u>2010</u>
Alabama	\$21,144,734	\$21,263,000	\$22,717,000
Alaska	11,915,381	7,734,000	9,188,000
Arizona	20,908,277	13,277,000	14,731,000
Arkansas	23,973,434	17,145,000	18,599,000
California	63,628,204	29,582,000	31,035,000
Colorado	19,788,818	11,313,000	12,767,000
Connecticut	5,784,910	6,658,000	8,112,000
Delaware	11,613,277	5,753,000	7,207,000
Florida	36,613,853	20,531,000	21,985,000
Georgia	32,557,950	26,697,000	28,150,000
Hawaii	12,667,604	7,728,000	9,182,000
Idaho	23,060,657	9,060,000	10,514,000
Illinois	24,882,565	19,670,000	21,124,000
Indiana	26,880,704	19,606,000	21,060,000
Iowa	20,315,033	14,521,000	15,975,000
Kansas	9,240,607	11,975,000	13,429,000
Kentucky	33,292,006	20,748,000	22,202,000
Louisiana	22,937,539	18,098,000	19,552,000
Maine	27,898,874	10,615,000	12,069,000
Maryland	13,453,538	10,024,000	11,478,000
Massachusetts	11,187,000	7,712,000	9,166,000
Michigan	35,191,956	25,350,000	26,803,000
Minnesota	23,072,616	18,091,000	19,545,000
Mississippi	22,506,494	19,740,000	21,194,000
Missouri	21,678,325	20,759,000	22,213,000
Montana	20,008,764	8,409,000	9,863,000
Nebraska	8,907,840	9,690,000	11,144,000
Nevada	7,886,465	6,026,000	7,480,000
New Hampshire	12,686,269	7,973,000	9,427,000
New Jersey	10,064,670	7,288,000	8,742,000
New Mexico	6,371,985	11,750,000	13,204,000
New York	19,986,808	24,151,000	25,604,000
North Carolina	49,616,860	34,717,000	36,170,000
North Dakota	5,529,357	6,800,000	8,254,000
Ohio	39,508,244	26,215,000	27,668,000
Oklahoma	19,192,378	16,052,000	17,506,000
Oregon	22,936,667	13,875,000	15,329,000
Pennsylvania	37,678,452	29,463,000	30,916,000
Rhode Island	3,311,730	4,537,000	5,991,000
South Carolina	26,990,163	19,932,000	21,386,000
South Dakota	9,979,202	8,208,000	9,662,000
Tennessee	31,983,638	22,268,000	23,722,000
Texas	30,333,381	47,994,000	49,447,000
Utah	36,950,408	6,989,000	8,443,000
Vermont	10,284,068	7,458,000	8,912,000
Virginia	28,034,552	20,175,000	21,629,000
Washington	43,945,620	15,579,000	17,033,000
West Virginia	17,650,870	13,490,000	14,944,000
Wisconsin	20,370,158	19,712,000	21,166,000
Wyoming	6,762,493	6,348,000	7,802,000
Puerto Rico	12,226,871	9,293,000	10,747,000
Virgin Islands	2,247,427	5,301,000	6,761,000
W. Pacific Areas	3,575,081	2,000,000	3,454,000
Undistributed	--	316,144,603	317,597,000
Total Avail./Est.	<u>\$1,121,214,777</u>	<u>\$1,121,487,603</u>	<u>\$1,200,000,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single-Family Housing Direct Loans - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$3,239,306	--	--
Alaska	2,582,174	--	--
Arizona	2,064,785	--	--
Arkansas	2,578,656	--	--
California	15,245,304	--	--
Colorado	4,904,818	--	--
Connecticut	1,628,095	--	--
Delaware	2,497,268	--	--
Florida	6,084,231	--	--
Georgia	8,201,856	--	--
Hawaii	651,255	--	--
Idaho	16,500,767	--	--
Illinois	4,137,153	--	--
Indiana	6,194,568	--	--
Iowa	4,050,084	--	--
Kansas	1,338,234	--	--
Kentucky	9,345,387	--	--
Louisiana	7,041,494	--	--
Maine	7,382,722	--	--
Maryland	6,724,247	--	--
Massachusetts	1,585,200	--	--
Michigan	8,701,907	--	--
Minnesota	3,075,825	--	--
Mississippi	3,761,573	--	--
Missouri	3,919,751	--	--
Montana	10,182,273	--	--
Nebraska	1,329,994	--	--
Nevada	1,424,523	--	--
New Hampshire	6,260,399	--	--
New Jersey	4,887,343	--	--
New Mexico	913,278	--	--
New York	1,942,300	--	--
North Carolina	9,682,184	--	--
North Dakota	1,002,051	--	--
Ohio	7,084,175	--	--
Oklahoma	4,487,710	--	--
Oregon	10,099,036	--	--
Pennsylvania	9,996,623	--	--
Rhode Island	1,046,500	--	--
South Carolina	7,765,472	--	--
South Dakota	1,566,168	--	--
Tennessee	10,716,075	--	--
Texas	1,007,114	--	--
Utah	8,168,898	--	--
Vermont	3,633,520	--	--
Virginia	8,625,024	--	--
Washington	8,528,856	--	--
West Virginia	4,877,010	--	--
Wisconsin	2,204,668	--	--
Wyoming	612,203	--	--
Puerto Rico	5,264,090	--	--
Virgin Islands	380,000	--	--
W. Pacific Areas	--	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$267,124,147</u>	<u>1,295,847,302 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single Family Housing Direct Loans
for Natural Disasters

	<u>2009</u>	<u>2010</u>	<u>2010</u>
Total Avail./Est.	--	\$2,105,999 1/	--

Single Family Housing Direct Loans
2005 Hurricanes for Natural Disasters

	<u>2009</u>	<u>2010</u>	<u>2010</u>
Alabama	\$674,000	--	--
Florida	7,042,748	--	--
Louisiana	8,072,758	--	--
Mississippi	2,667,822	--	--
Texas	121,900	--	--
Total Avail./Est.	<u>\$18,579,228</u>	<u>\$183,048,031 1/</u>	<u>--</u>

Single Family Housing Direct Loans
2007 Tornados Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kansas	\$95,350	--	--
Total Avail./Est.	<u>95,350</u>	<u>\$13,005,417 1/</u>	<u>--</u>

Single Family Housing Direct Loans
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$4,509,654	--	--
Colorado	189,000	--	--
Florida	930,106	--	--
Georgia	665,420	--	--
Illinois	1,871,755	--	--
Indiana	13,788,675	--	--
Iowa	5,505,068	--	--
Kentucky	1,054,044	--	--
Louisiana	2,317,408	--	--
Maine	5,246,023	--	--
Mississippi	354,039	--	--
Missouri	7,746,533	--	--
Nebraska	617,944	--	--
Tennessee	358,947	--	--
Texas	2,638,093	--	--
West Virginia	79,800	--	--
Wisconsin	973,044	--	--
Total Avail./Est.	<u>\$48,845,553</u>	<u>\$711,597,184 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

Rural Housing Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single Family Housing Guaranteed Loans

	2009	2010	2011
Alabama	\$130,739,999	\$186,030,250	\$177,011,000
Alaska	19,951,195	50,562,750	41,544,000
Arizona	154,909,563	176,639,900	167,621,000
Arkansas	123,940,878	195,122,970	186,104,000
California	205,684,764	352,169,720	343,151,000
Colorado	79,282,972	95,026,750	86,008,000
Connecticut	26,742,605	30,771,200	21,753,000
Delaware	21,149,237	27,254,662	18,237,000
Florida	340,492,221	347,509,595	338,491,000
Georgia	188,964,498	265,529,670	256,511,000
Hawaii	47,868,319	55,735,050	46,626,000
Idaho	85,115,952	99,415,316	90,396,000
Illinois	171,654,428	206,400,407	197,382,000
Indiana	110,425,370	176,609,677	167,591,000
Iowa	71,518,021	117,233,480	108,214,000
Kansas	83,556,747	95,461,056	86,442,000
Kentucky	101,550,843	186,743,760	177,725,000
Louisiana	161,574,666	296,698,307	287,679,000
Maine	88,231,322	105,220,678	96,202,000
Maryland	90,500,180	101,993,621	92,975,000
Massachusetts	42,090,768	49,184,807	401,680,000
Michigan	267,657,323	284,577,900	275,559,000
Minnesota	160,454,959	185,354,032	176,335,000
Mississippi	106,189,554	185,559,360	176,540,000
Missouri	154,408,925	227,443,844	218,425,000
Montana	56,355,716	63,241,513	54,223,000
Nebraska	32,631,369	67,449,130	58,430,000
Nevada	24,544,749	34,265,552	252,480,000
New Hampshire	48,846,212	56,493,895	47,477,000
New Jersey	51,330,094	51,137,220	42,120,000
New Mexico	26,982,750	94,478,230	85,459,000
New York	68,990,651	254,842,350	245,823,000
North Carolina	329,535,179	401,919,554	392,901,000
North Dakota	15,288,471	30,802,240	21,784,000
Ohio	149,711,828	246,328,460	237,309,000
Oklahoma	121,532,955	143,542,478	134,523,000
Oregon	111,447,822	154,623,107	145,604,000
Pennsylvania	142,727,652	286,239,310	247,220,000
Rhode Island	5,570,224	7,393,542	7,788,000
South Carolina	149,209,247	176,854,580	167,836,000
South Dakota	60,254,159	62,211,483	53,192,000
Tennessee	139,833,122	203,150,360	194,132,000
Texas	283,325,683	509,336,380	500,317,000
Utah	92,380,554	110,802,029	101,783,000
Vermont	15,204,510	46,454,310	37,435,000
Virginia	156,412,091	199,104,931	190,086,000
Washington	141,925,831	179,058,567	170,039,000
West Virginia	59,387,638	105,170,240	96,151,000
Wisconsin	131,200,317	187,088,472	178,069,000
Wyoming	102,782,536	74,581,568	65,862,000
Puerto Rico	114,322,009	121,709,727	112,690,000
Virgin Islands	814,500	21,472,010	12,414,000
Western Pacific	6,035,722	10,000,000	992,000
Undistributed	--	4,546,705,365	4,498,403,000
Total Avail./Est.	<u>\$5,673,238,900</u>	<u>\$12,546,705,365</u>	<u>\$12,000,000,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single Family Housing Guaranteed Loans Purchase
2005 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$31,791,819	--	--
Florida	131,344,927	--	--
Louisiana	321,198,205	--	--
Mississippi	95,850,771	--	--
Texas	1,839,245	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$582,024,967</u>	<u>\$622,529,530</u> ^{1/}	<u>--</u>

Single Family Housing Guaranteed Loans Purchase
2007 Tornadoes Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kansas	\$192,000	--	--
Total Avail./Est.	<u>\$192,000</u>	<u>\$13,503,722</u> ^{1/}	<u>--</u>

Single Family Housing Guaranteed Loans Purchase
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$162,503,621	--	--
Colorado	1,866,580	--	--
Florida	168,366	--	--
Georgia	15,444,742	--	--
Illinois	51,577,277	--	--
Indiana	141,751,034	--	--
Iowa	93,478,695	--	--
Kentucky	19,149,861	--	--
Louisiana	44,072,482	--	--
Maine	17,361,889	--	--
Mississippi	14,485,302	--	--
Missouri	143,346,822	--	--
Nebraska	15,074,493	--	--
Nevada	13,246,254	--	--
Tennessee	30,138,746	--	--
Texas	36,380,720	--	--
West Virginia	11,045,669	--	--
Wisconsin	109,179,660	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$920,272,213</u>	<u>\$131,426,549</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Single Family Housing Guaranteed Loans
Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$220,312,552	--	--
Alaska	24,222,067	--	--
Arizona	260,873,138	--	--
Arkansas	163,837,457	--	--
California	319,387,998	--	--
Colorado	121,763,455	--	--
Connecticut	42,219,513	--	--
Delaware	42,418,002	--	--
Florida	369,866,089	--	--
Georgia	322,645,299	--	--
Hawaii	44,096,434	--	--
Idaho	154,263,970	--	--
Illinois	298,769,213	--	--
Indiana	145,986,097	--	--
Iowa	62,285,462	--	--
Kansas	136,241,839	--	--
Kentucky	193,653,041	--	--
Louisiana	200,507,182	--	--
Maine	138,684,400	--	--
Maryland	158,417,922	--	--
Massachusetts	73,166,723	--	--
Michigan	419,682,899	--	--
Minnesota	279,561,054	--	--
Mississippi	114,558,713	--	--
Missouri	244,665,674	--	--
Montana	92,108,971	--	--
Nebraska	45,872,854	--	--
Nevada	40,928,970	--	--
New Hampshire	79,748,655	--	--
New Jersey	69,049,705	--	--
New Mexico	20,069,273	--	--
New York	109,949,590	--	--
North Carolina	591,273,710	--	--
North Dakota	25,251,841	--	--
Ohio	287,253,337	--	--
Oklahoma	194,191,359	--	--
Oregon	237,725,402	--	--
Pennsylvania	276,976,844	--	--
Rhode Island	12,155,270	--	--
South Carolina	237,932,733	--	--
South Dakota	81,801,089	--	--
Tennessee	278,139,462	--	--
Texas	410,215,434	--	--
Utah	206,743,350	--	--
Vermont	27,786,051	--	--
Virginia	301,666,774	--	--
Washington	263,072,005	--	--
West Virginia	115,892,527	--	--
Wisconsin	213,146,333	--	--
Wyoming	84,363,114	--	--
Puerto Rico	179,942,056	--	--
Virgin Islands	472,000	--	--
W. Pacific Areas	3,695,798	--	--
Total Avail./Est.	<u>\$9,039,510,700</u>	<u>\$1,071,449,239</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Rental Housing Direct Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arizona	553,255	--	--
Arkansas	1,000,000	--	--
California	4,000,000	--	--
Florida	7,039,045	--	--
Hawaii	1,000,000	-- ^{1/}	--
Illinois	349,635	--	--
Iowa	685,009	--	--
Kansas	1,321,400	--	--
Kentucky	909,310	--	--
Maine	4,974,550	--	--
Massachusetts	1,143,605	--	--
Michigan	4,390,266	--	--
Minnesota	814,225	--	--
Mississippi	1,396,509	--	--
Missouri	1,305,210	--	--
Montana	754,900	--	--
Nebraska	744,779	--	--
New Hampshire	3,661,000	--	--
New Jersey	936,986	--	--
New York	1,188,042	--	--
North Carolina	10,305,000	--	--
North Dakota	1,896,200	--	--
Ohio	3,878,477	--	--
Oklahoma	1,527,732	--	--
Pennsylvania	959,195	--	--
Rhode Island	624,605	--	--
South Dakota	999,799	--	--
Tennessee	639,552	--	--
Texas	749,799	--	--
Utah	950,000	--	--
Vermont	3,067,700	--	--
Virginia	355,000	--	--
Wisconsin	2,503,525	--	--
Wyoming	1,114,083	--	--
Total Avail./Est.	<u>\$67,738,393</u>	<u>\$69,511,747</u> ^{1/}	<u>\$95,236,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Rental Housing Direct Loans
2007 Tornadoes Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$1,402,919</u> 1/	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi Family Housing Guaranteed Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$3,950,000	--	--
Arizona	4,313,571	--	--
Arkansas	1,518,000	--	--
California	53,224,313	--	--
Connecticut	4,179,250	--	--
Georgia	5,268,982	--	--
Idaho	1,345,000	--	--
Illinois	6,210,000	--	--
Indiana	1,010,000	--	--
Kentucky	475,000	--	--
Maryland	3,589,000	--	--
Minnesota	1,316,074	--	--
North Dakota	1,900,000	--	--
Ohio	12,999,700	--	--
Pennsylvania	3,000,000	--	--
South Carolina	1,810,000	--	--
Tennessee	1,799,386	--	--
Texas	8,535,225	--	--
Utah	750,000	--	--
Vermont	300,000	--	--
Virginia	2,526,300	--	--
Wisconsin	832,000	--	--
Total Avail./Est.	<u>\$120,851,801</u>	<u>\$129,130,435</u> <u>1/</u>	<u>\$129,133,000</u> <u>1/</u>

Multi Family Housing Guaranteed Loans - No Year

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$12,356,510</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi Family Housing Guaranteed Loans
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Idaho	1,120,000	--	--
Illinois	2,400,700	--	--
Iowa	2,356,600	--	--
Louisiana	1,398,788	--	--
Oklahoma	4,285,000	--	--
Texas	101,675	--	--
Total Avail./Est.	<u>\$11,662,763</u>	<u>\$6,178,000</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Very Low-Income Housing Repair Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$744,272	\$917,000	\$910,000
Alaska	78,230	298,000	291,000
Arizona	151,893	683,000	676,000
Arkansas	519,315	724,000	717,000
California	69,946	1,688,000	1,681,000
Colorado	17,305	392,000	385,000
Connecticut	66,702	95,000	88,000
Delaware	91,786	82,000	75,000
Florida	785,981	901,000	894,000
Georgia	1,157,103	1,218,000	1,210,000
Hawaii	319,213	288,000	281,000
Idaho	129,727	292,000	285,000
Illinois	1,921,840	720,000	712,000
Indiana	598,460	680,000	672,000
Iowa	1,094,032	471,000	463,000
Kansas	210,680	394,000	386,000
Kentucky	1,692,265	849,000	841,000
Louisiana	674,278	837,000	829,000
Maine	587,185	316,000	308,000
Maryland	183,229	254,000	246,000
Massachusetts	136,409	147,000	140,000
Michigan	995,890	955,000	947,000
Minnesota	709,533	705,000	697,000
Mississippi	876,446	927,000	919,000
Missouri	1,031,799	833,000	825,000
Montana	22,459	235,000	228,000
Nebraska	138,461	280,000	272,000
Nevada	44,894	123,000	115,000
New Hampshire	246,915	168,000	160,000
New Jersey	17,750	127,000	119,000
New Mexico	100,199	543,000	535,000
New York	534,298	889,000	881,000
North Carolina	2,176,069	1,571,000	1,563,000
North Dakota	154,755	140,000	132,000
Ohio	638,063	951,000	943,000
Oklahoma	182,246	656,000	648,000
Oregon	192,863	551,000	543,000
Pennsylvania	1,018,126	1,103,000	1,095,000
Rhode Island	38,245	19,000	12,000
South Carolina	575,955	856,000	848,000
South Dakota	192,469	229,000	222,000
Tennessee	940,760	904,000	897,000
Texas	692,823	2,717,000	2,709,000
Utah	245,399	170,000	163,000
Vermont	198,449	156,000	149,000
Virginia	638,822	772,000	764,000
Washington	324,530	666,000	658,000
West Virginia	682,950	461,000	454,000
Wisconsin	618,892	723,000	715,000
Wyoming	17,509	125,000	118,000
Puerto Rico	230,797	429,000	422,000
Western Pacific	1,083,817	500,000	493,000
Virgin Islands	21,659	110,000	103,000
Undistributed	--	2,572,451	2,565,000
Total Avail./Est.	<u>\$26,813,693</u>	<u>\$34,412,451</u>	<u>\$34,004,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Very Low-Income Housing Repair Loans
for Natural Disaster

	2009	2010	2011
Missouri	\$2,810	--	--
Total Avail./Est.	\$2,810	\$6,872,393 1/	--

Very Low-Income Housing Repair Loans
2003/2004 Hurricanes for Natural Disaster

	2009	2010	2011
Total Avail./Est.	--	\$33,585,336 1/	--

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

	2009	2010	2011
Louisiana	\$162,913	--	--
Mississippi	43,094	--	--
Texas	1,570	--	--
Total Avail./Est.	\$207,577	\$857,078 1/	--

Very Low-Income Housing Repair Loans
2007 Tornados Disasters

	2009	2010	2011
Total Avail./Est.	--	\$119,424 1/	--

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Farm Labor Housing Loans for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$1,482,863 1/</u>	<u> --</u>

Housing Site Development Direct Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Georgia	\$294,000	--	--
Kansas	\$27,500	--	--
North Carolina	277,690	--	--
Total Avail./Est.	<u>\$599,190</u>	<u>\$5,045,000 1/</u>	<u>\$5,052,000 1/</u>

Self Help Housing Land Development Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$4,970,000 1/</u>	<u>\$4,966,000 1/</u>

Single Family Housing Credit Sales

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$385,500	--	--
Idaho	118,102	--	--
Maine	98,784	--	--
Minnesota	55,000	--	--
Missouri	59,375	--	--
New York	47,215	--	--
Oregon	148,200	--	--
Washington	57,000	--	--
Puerto Rico	62,720	--	--
Total Avail./Est.	<u>\$1,031,896</u>	<u>\$10,000,000 1/</u>	<u>\$10,000,000 1/</u>

Multiple Family Housing Credit Sales

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Michigan	\$1,447,951	--	--
Total Avail./Est.	<u>\$1,447,951</u>	<u>\$1,447,917 1/</u>	<u>\$1,449,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts...	\$467,597,000	\$471,261,000	\$454,383,000
41 Grants, subsidies, and contributions.....	<u>346,748,860</u>	<u>361,640,197</u>	<u>127,331,000</u>
Total direct obligations.....	<u>814,345,860</u>	<u>832,901,197</u>	<u>581,714,000</u>

RURAL HOUSING SERVICE

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

Farm Labor Program Account

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, [~~\$19,746,000~~]\$20,346,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts.

RURAL HOUSING SERVICE

Analysis of Change in AppropriationFARM LABOR PROGRAM ACCOUNT
(On basis of loan levels, subsidies, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2010.....	\$27,318,760	\$9,873,000	\$9,873,000
Budget Estimate, 2011.....	<u>27,287,650</u>	<u>10,473,000</u>	<u>9,873,000</u>
Increase or decreases in Appropriations.....	<u>-31,110</u>	<u>600,000</u>	<u>0</u>

PROJECT STATEMENT

(On basis of appropriated/supportable loan level, subsidy, and grants)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$34,530	\$14,551	\$27,319	\$9,873	-\$31 (1)	\$600 (2)	\$27,288	\$10,473
Domestic farm labor housing grants.....	14,955	14,955	9,873	9,873	0	0	9,873	9,873
Total Available or Estimate.....	49,485	29,506	37,192	19,746	-31	600	37,161	20,346
Recovery of prior year obligations.....	-3,901	-656	0	0	0	0	0	0
Unobligated balance, start of year.....	-16,795	-11,312	0	0	0	0	0	0
Unobligated balance, end of year.....	2,022	731	0	0	0	0	0	0
Total Appropriation.....	30,812	18,269	37,192	19,746	-31	600	37,161	20,346

Staff Years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT

(On basis of obligations under available funds)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Direct farm labor housing loans.....	\$34,530	\$14,551	\$29,341	\$10,604	-\$2,053	-\$131	\$27,288	\$10,473
Domestic farm labor housing grants.....	14,955	14,955	9,873	9,873	0	0	9,873	9,873
Total Available or Estimate.....	49,485	29,506	39,214	20,477	-2,053	-131	37,161	20,346
Recovery of prior year obligations.....	-3,901	-656	0	0	0	0	0	0
Unobligated balance, start of year.....	-16,795	-11,312	-2,022	-731	1,734	731	0	0
Unobligated balance, end of year.....	2,022	731	0	0	0	0	0	0
Total Appropriation.....	30,812	18,269	37,192	19,746	-319	600	37,161	20,346

Staff Years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$31,000 in direct farm labor housing loans program (\$27,319,000 available in 2010).

The decrease is due to the annual technical assumption changes that increased the subsidy rate from 38.14 percent to 38.38 percent and increased the budget authority by \$600,000.

- (2) An increase of \$600,000 in the direct farm labor housing loan subsidy (\$9,873,000 available in 2010).

The requested increase in subsidy amount supports the estimated loan obligations associated with the requested FY 2011 loan levels for the direct farm labor housing loan program. There was a ten percent increase in loans provided in 2009 compared to that in 2008 and is indicative of the success of the program. This funding increase will help meet the anticipated increase in loan applications for 2011.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Farm Labor Housing Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$93,602	--	--
Arkansas	1,067,000	--	--
California	26,912,156	--	--
Florida	300,000	--	--
Hawaii	561,428	--	--
Iowa	541,000	--	--
Kansas	500,000	--	--
Michigan	560,187	--	--
Mississippi	132,000	--	--
Nevada	31,171	--	--
Texas	2,635,655	--	--
Vermont	233,000	--	--
Washington	300,000	--	--
Wisconsin	662,470	--	--
Total Avail./Est.	<u>\$34,529,669</u>	<u>\$29,340,833</u> <u>1/</u>	<u>\$27,288,000</u> <u>1/</u>

Farm Labor Housing Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$3,400,000	--	--
Florida	2,700,000	--	--
Kansas	2,500,000	--	--
Mississippi	1,190,700	--	--
Texas	2,586,430	--	--
Washington	2,578,310	--	--
Total Avail./Est.	<u>\$14,955,440</u>	<u>\$9,873,000</u> <u>1/</u>	<u>\$9,873,000</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE

FARM LABOR PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$29,506,242</u>	<u>\$20,476,777</u>	<u>\$20,346,000</u>
Total direct obligations.....	<u>29,506,242</u>	<u>20,476,777</u>	<u>20,346,000</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

1 For the rural housing voucher program as authorized under section 542 of the Housing Act of 1949,
 2 but notwithstanding subsection (b) of such section, [for the cost to conduct a housing demonstration
 3 program to provide revolving loans for the preservation of low-income multi-family housing
 4 projects, and for additional costs to conduct a demonstration program for the preservation and
 5 revitalization of multi-family rental housing properties described in this paragraph, \$43,191,000]
 6 \$18,000,000, to remain available until expended[: *Provided*, That of the funds made available
 7 under this heading, \$16,400,000], which shall be available for rural housing vouchers to any low-
 8 income household (including those not receiving rental assistance) residing in a property financed
 9 with a section 515 loan which has been prepaid after September 30, 2005: *Provided* [further], That
 10 the amount of such voucher shall be the difference between comparable market rent for the section
 11 515 unit and the tenant paid rent for such unit: *Provided further*, That funds made available for such
 12 vouchers, shall be subject to the availability of annual appropriations: *Provided further*, That the
 13 Secretary shall, to the maximum extent practicable, administer such vouchers with current
 14 regulations and administrative guidance applicable for section 8 housing vouchers administered by
 15 the Secretary of the Department of Housing and Urban Development[: *Provided further*, That if the
 16 Secretary determines that the amount made available for vouchers in this or any other Act is not
 17 needed for vouchers, the Secretary may use such funds for the demonstration programs for the
 18 preservation and revitalization of multi-family rental housing properties described in this paragraph:
 19 *Provided further*, That of the funds made available under this heading, \$1,791,000 shall be available
 20 for the cost of loans to private non-profit organizations, or such non-profit organizations' affiliate
 21 loan funds and State and local housing finance agencies, to carry out a housing demonstration
 22 program to provide revolving loans for the preservation of low-income multi-family housing
 23 projects: *Provided further*, That loans under such demonstration program shall have an interest rate
 24 of not more than 1 percent direct loan to the recipient: *Provided further*, That the Secretary may
 25 defer the interest and principal payment to the Rural Housing Service for up to 3 years and the term
 26 of such loans shall not exceed 30 years: *Provided further*, That of the funds made available under
 27 this heading, \$25,000,000 shall be available for a demonstration program for the preservation and
 28 revitalization of the section 514, 515, and 516 multi-family rental housing properties to restructure
 29 existing USDA multi-family housing loans, as the Secretary deems appropriate, expressly for the
 30 purposes of ensuring the project has sufficient resources to preserve the project for the purpose of
 31 providing safe and affordable housing for low-income residents and farm laborers including
 32 reducing or eliminating interest; deferring loan payments, subordinating, reducing or reamortizing
 33 loan debt; and other financial assistance including advances and incentives (including the ability of
 34 owners to obtain reasonable returns on investment) required by the Secretary: *Provided further*,
 35 That the Secretary shall as part of the preservation and revitalization agreement obtain a restrictive
 36 use agreement consistent with the terms of the restructuring: *Provided further*, That if the Secretary
 37 determines that additional funds for vouchers described in this paragraph are needed, funds for the
 38 preservation and revitalization demonstration program may be used for such vouchers: *Provided*
 39 *further*, That if Congress enacts legislation to permanently authorize a multi-family rental housing
 40 loan restructuring program similar to the demonstration program described herein, the Secretary may
 41 use funds made available for the demonstration program under this heading to carry out such
 42 legislation with the prior approval of the Committees on Appropriations for both Houses of
 43 Congress: *Provided further*, That in addition to any other available funds, the Secretary may expend
 44 not more than \$1,000,000 total, from the program funds made available under this heading, for
 45 administrative expenses for activities funded under this heading].

The first change eliminates the funding for the multi-family housing revitalization program with the rural housing voucher program being the only program funded in this account.

The second change removes the designation for a set amount of funds for the voucher program as the account now only contains voucher funding.

The third change adds the word "which" in the paragraph.

The fourth change deletes the word "further" in the paragraph.

The fifth change removes the language allowing the Secretary of Agriculture to move unobligated voucher funding into the multi-family housing revitalization program as the multi-family housing revitalization program is not funded in FY 2011.

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, 2010.....	\$44,106,649	\$18,791,000	\$24,400,000
Budget Estimate, 2011	0	0	18,000,000
Decrease in Appropriation.....	<u>-44,106,649</u>	<u>-18,791,000</u>	<u>-6,400,000</u>

PROJECT STATEMENT - CURRENT LAW
 (On basis of supportable loan level and appropriated subsidy and grants)
 (In thousands of dollars)

	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Rural housing voucher program and administrative expenses.....	\$8,958	\$8,958	\$16,400	\$16,400	\$1,600	\$1,600 (2)	\$18,000	\$18,000
Multi-family housing revitalization modifications (Sec.515).....	0	6,361	0	0	0	0	0	0
Multi-family housing revitalization zero percent (Sec.515).....	14,502	8,787	30,136	11,500	-30,136 (1)	-11,500 (3)	0	0
Multi-family housing revitalization soft seconds (Sec. 515).....	4,677	3,999	7,549	5,500	-7,549 (1)	-5,500 (3)	0	0
Multi-family housing revitalization grants (Sec. 515).....	161	161	8,000	8,000	-8,000 (1)	-8,000 (3)	0	0
Multi-family housing preservation demo revolving loan fund....	6,422	2,888	6,422	1,791	-6,422 (1)	-1,791 (3)	0	0
Total Available or Estimate.....	34,721	31,155	68,507	43,191	-50,507	-25,191	18,000	18,000
Total administrative expenses - 2008 disasters <u>a/</u>	0	240	0	0	0	0	0	0
Recovery of prior year obligations.....	-7,444	-1,265	0	0	0	0	0	0
Unobligated balance start of year.....	-20,359	-15,373	0	0	0	0	0	0
Transfer of unobligated balance <u>a/</u>	-6,918	-8,000	0	0	0	0	0	0
Unobligated balance end of year.....	32,021	20,957	0	0	0	0	0	0
Total Appropriation.....	32,022	27,714	68,507	43,191	-50,507	-25,191	18,000	18,000

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

a/ Transfer \$8 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.

PROJECT STATEMENT - CURRENT LAW
(On basis of available supportable loan level, subsidy, and grants)
(In thousands of dollars)

	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Rural housing voucher program and administrative expenses....	\$8,958	\$8,958	\$24,630	\$24,630	-\$6,630	-\$6,630	\$18,000	\$18,000
Rural housing voucher program 2008 disasters emer. supp a/.....	0	0	1,940	1,940	-1,940	-1,940	0	0
Multi-family housing revitalization modifications (Sec.515).....	0	6,361	0	0	0	0	0	0
Multi-family housing revitalization modifications (Sec.515) 2008 disasters emergency supplemental a/.....	0	0	0	1,949	0	-1,949	0	0
Multi-family housing revitalization zero percent (Sec.515).....	14,502	8,787	30,961	11,815	-30,961	-11,815	0	0
Multi-family housing revitalization zero percent (Sec.515) 2008 disasters emergency supplemental a/.....	0	0	2,606	994	-2,606	-994	0	0
Multi-family housing revitalization soft seconds (Sec. 515).....	4,677	3,999	8,392	6,114	-8,392	-6,114	0	0
Multi-family housing revitalization soft seconds (Sec. 515) 2008 disasters emergency supplemental a/.....	0	0	3,728	2,717	-3,728	-2,717	0	0
Multi-family housing revitalization grants (Sec. 515).....	161	161	8,000	8,000	-8,000	-8,000	0	0
Multi-family housing revitalization grants (Sec. 515) 2008 disasters emergency supplemental a/.....	0	0	160	160	-160	-160	0	0
Multi-family housing preservation demo revolving loan fund....	6,422	2,888	20,899	5,829	-20,899	-5,829	0	0
Total Available or Estimate.....	34,721	31,155	101,316	64,148	-83,316	-46,148	18,000	18,000
Total administrative expenses - 2008 disasters a/.....	0	240	0	0	0	0	0	0
Recovery of prior year obligations.....	-7,444	-1,265	0	0	0	0	0	0
Unobligated balance start of year.....	-20,359	-15,373	-32,809	-20,957	32,809	20,957	0	0
Transfer of unobligated balance a/.....	-6,918	-8,000	0	0	0	0	0	0
Unobligated balance end of year.....	32,021	20,957	0	0	0	0	0	0
Total Appropriation.....	32,022	27,714	68,508	43,191	-50,507	-25,191	18,000	18,000

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

a/ Transfer \$7,760,000 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.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$52,107,000 in the multi-family housing preservation loan programs (\$52,107,000 available in 2010).

For the multi-family housing programs, the 2011 Budget for USDA's rural housing service focuses assistance on the low and very-low tenant population. While repair and rehabilitation of the portfolio is important, funding through an open ended demonstration program has been carried out since 2006 and the most cost-effective and justified repairs have been achieved. At this point, additional funding in the demonstration program could be seen as over-subsidizing the multi-family housing property owners. Meanwhile, the traditional way to fund revitalization has been through the multi-family housing direct loan program with rehabilitation loans. While the 2011 Budget proposes to terminate funding for the multi-family housing revitalization demonstration program, it proposes to increase the multi-family housing direct loan program from \$70 million to \$95 million, ensuring that more affordable rental housing opportunities are created for the very-low income tenant base in rural America.

- (2) An increase of \$1,600,000 in the multi-family housing preservation vouchers program (\$16,400,000 available in 2010).

The increase in the multi-family housing preservation vouchers program will allow for the issuance and annual renewal of rural development vouchers to tenants in prepaid and foreclosed multi-family properties. The rural development vouchers program is designed to provide a maximum of 36 monthly payments in rent assistance to eligible tenants, subject to annual appropriations. Approximately 500 additional tenants are expected to receive vouchers from the funding increase.

- (3) A decrease of \$26,791,000 in subsidy for the multi-family housing revitalization loan program (\$26,791,000 available in 2010).

The decrease is due to the termination of funding for the multi-family programs as mentioned above.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi-Family Housing Revitalization Zero Percent Loans
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$2,605,985</u> <u>1/</u>	<u> --</u>

Multi-Family Housing Revitalization Soft Second Loans
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$3,728,396</u> <u>1/</u>	<u> --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi-Family Housing Revitalization Zero Percent Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kansas	\$627,902	--	--
Maine	176,500	--	--
Michigan	53,000	--	--
Missouri	648,704	--	--
Nebraska	290,244	--	--
Ohio	415,000	--	--
South Carolina	12,291,011	--	--
Total Avail./Est.	<u>\$14,502,361</u>	<u>\$30,961,049 1/</u>	<u>--</u>

Multi-Family Housing Revitalization Soft Second Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Connecticut	\$89,601	--	--
Florida	950,284	--	--
Georgia	97,039	--	--
Kansas	222,500	--	--
Kentucky	72,306	--	--
Maine	476,033	--	--
Minnesota	118,100	--	--
Missouri	319,770	--	--
Nebraska	333,689	--	--
New Hampshire	388,000	--	--
New York	95,500	--	--
North Carolina	347,110	--	--
North Dakota	90,853	--	--
South Dakota	135,346	--	--
Virginia	385,000	--	--
Wisconsin	553,395	--	--
Wyoming	2,635	--	--
Total Avail./Est.	<u>\$4,677,161</u>	<u>\$8,391,936 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi-Family Housing Revitalization Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Illinois	\$46,565	--	--
Kansas	23,419	--	--
Maine	41,500	--	--
Missouri	24,719	--	--
North Dakota	25,000	--	--
Total Avail./Est.	<u>\$161,203</u>	<u>\$8,000,000 1/</u>	<u>--</u>

Multi-Family Housing Preservation Demonstration Loan Fund

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Wisconsin	\$2,125,000	--	--
Maryland	2,296,642	--	--
New Mexico	2,000,000	--	--
Total Avail./Est.	<u>\$6,421,642</u>	<u>\$20,898,604 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Multi-Family Housing Revitalization Grants
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> </u>	<u>\$159,711 1/</u>	<u> </u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Housing Voucher Program

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$88,764	--	--
Alaska	156,233	--	--
Arizona	7,713	--	--
California	23,532	--	--
Colorado	24,120	--	--
Florida	1,160,064	--	--
Georgia	409,548	--	--
Idaho	153,132	--	--
Illinois	223,244	--	--
Indiana	13,710	--	--
Iowa	543,045	--	--
Kentucky	24,216	--	--
Louisiana	8,670	--	--
Maine	50,592	--	--
Maryland	8,100	--	--
Michigan	62,610	--	--
Minnesota	204,203	--	--
Missouri	402,638	--	--
Montana	42,368	--	--
Nebraska	22,752	--	--
New Hampshire	96,168	--	--
New Jersey	344,858	--	--
New Mexico	266,928	--	--
New York	322,423	--	--
North Carolina	133,618	--	--
North Dakota	160,742	--	--
Ohio	128,567	--	--
Oklahoma	5,184	--	--
Oregon	116,246	--	--
Pennsylvania	26,016	--	--
South Carolina	267,918	--	--
South Dakota	41,878	--	--
Tennessee	155,598	--	--
Texas	399,911	--	--
Utah	36,267	--	--
Virginia	4,080	--	--
Washington	51,900	--	--
Wisconsin	240,193	--	--
Wyoming	5,700	--	--
Puerto Rico	4,800	--	--
Total Avail./Est.	<u>\$6,438,249</u>	<u>\$24,630,316</u> ^{1/}	<u>\$18,000,000</u> ^{1/}

Rural Housing Vouchers - Administrative Expenses

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>\$2,520,000</u>	<u>--</u>	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Housing Vouchers
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$1,940,000 1/</u>	<u> --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE

MULTI-FAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$2,760,000	\$0	\$0
41 Grants, subsidies, and contributions.....	<u>28,635,352</u>	<u>64,148,037</u>	<u>18,000,000</u>
Total direct obligations.....	<u>31,395,352</u>	<u>64,148,037</u>	<u>18,000,000</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, [~~\$980,000,000~~]\$965,635,000; 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
- 1 521(a)(2) of the Act: *Provided*, That [of this amount, up to \$5,958,000 may be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$50,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That] of this amount not less than [~~\$2,030,000~~]\$3,000,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, and not less than [~~\$3,400,000~~]\$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 one-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 provided under
- 2 agreements entered into prior to fiscal year [~~2010~~]2011 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 eliminates funding availability for the debt forgiveness program.

The second change modifies the fiscal year from 2010 to 2011.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RENTAL ASSISTANCE PROGRAM

Appropriations Act, 2010.....	\$980,000,000
Budget Estimate, 2011.....	<u>965,635,000</u>
Decrease in Appropriation.....	<u><u>-14,365,000</u></u>

PROJECT STATEMENT
(On basis of appropriation)
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Rental assistance (sec 521).....	\$0	\$968,612	-\$8,977	\$959,635
Rental assistance 2009/2010 (sec. 521).....	896,674	0	0	0
Rental assistance - new construction (sec. 515)	2,028	2,030	970	3,000
Rental assistance - new construction (sec. 514/516)	3,370	3,400	-400	3,000
Rental assistance (sec. 502).....	150	5,958	-5,958	0
Total Available or Estimate.....	902,222	980,000	-14,365 (1)	965,635
Unobligated balance, start of year	0		0	0
Unobligated balance, end of year	278	0	0	0
Total Appropriation.....	902,500	980,000	-14,365	965,635

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

PROJECT STATEMENT
(On basis of available/supportable loan levels, subsidies, and grants)
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Rental assistance (sec 521).....	\$0	\$968,890	-\$9,255	\$959,635
Rental assistance 2009/2010 (sec. 521).....	896,674	0	0	0
Rental assistance - new construction (sec. 515)	2,028	2,030	970	3,000
Rental assistance - new construction (sec. 514/516)	3,370	3,400	-400	3,000
Rental assistance Emergency Suppl.....	0	0	0	0
Rental assistance (sec. 502).....	150	5,958	-5,958	0
Total Available or Estimate.....	902,222	980,278	-14,643	965,635
Unobligated balance, start of year	0	-278	278	0
Unobligated balance, end of year	278	0	0	0
Total Appropriation.....	902,500	980,000	-14,365	965,635

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

JUSTIFICATION OF DECREASE

- (1) A decrease of \$14,365,000 in section 521 rental assistance (\$980,000,000 available in 2010).

The decreased level requested reflects the increase precision to predict rental assistance costs. Based upon available historical data on renewals and inflation assumptions, Rural Development has refined its ability to estimate annual rental assistance needs. The amount requested is the amount rural housing service needs to renew all outstanding contracts and should be sufficient to meet the agency needs even at this reduced level. With this funding, the agency would be able to renew 212,000 units.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Rental Assistance Programs

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$25,749,216	--	--
Alaska	3,197,448	--	--
Arizona	12,766,236	--	--
Arkansas	20,811,039	--	--
California	55,257,724	--	--
Colorado	8,405,032	--	--
Connecticut	7,116,672	--	--
Delaware	6,820,800	--	--
Florida	42,511,210	--	--
Georgia	21,139,272	--	--
Hawaii	4,909,668	--	--
Idaho	11,402,676	--	--
Illinois	22,465,080	--	--
Indiana	14,872,511	--	--
Iowa	17,498,536	--	--
Kansas	9,339,601	--	--
Kentucky	17,998,848	--	--
Louisiana	39,298,080	--	--
Maine	30,472,240	--	--
Maryland	15,090,816	--	--
Massachusetts	9,917,980	--	--
Michigan	28,013,420	--	--
Minnesota	18,105,119	--	--
Mississippi	37,468,380	--	--
Missouri	18,930,024	--	--
Montana	5,146,548	--	--
Nebraska	6,297,588	--	--
Nevada	7,610,400	--	--
New Hampshire	10,848,968	--	--
New Jersey	6,705,600	--	--
New Mexico	11,468,184	--	--
New York	18,222,372	--	--
North Carolina	41,568,440	--	--
North Dakota	4,453,956	--	--
Ohio	23,083,968	--	--
Oklahoma	17,341,921	--	--
Oregon	15,233,328	--	--
Pennsylvania	22,386,780	--	--
Rhode Island	938,616	--	--
South Carolina	22,356,516	--	--
South Dakota	20,410,672	--	--
Tennessee	21,864,672	--	--
Texas	38,670,524	--	--
Utah	6,683,904	--	--
Vermont	8,112,996	--	--
Virginia	20,948,760	--	--
Washington	19,423,556	--	--
West Virginia	10,428,264	--	--
Wisconsin	15,414,320	--	--
Wyoming	4,256,496	--	--
Puerto Rico	17,183,544	--	--
Virgin Islands	5,603,796	--	--
Total Avail./Est.	<u>\$902,222,317</u>	<u>\$980,278,086</u> <i>1/</i>	<u>\$965,635,000</u> <i>1/</i>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
RURAL RENTAL ASSISTANCE PROGRAM

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$902,222,316</u>	<u>\$980,278,086</u>	<u>\$965,635,000</u>
Total direct obligations.....	<u>902,222,316</u>	<u>980,278,086</u>	<u>965,635,000</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)

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, [~~\$45,500,000~~]\$40,400,000,
 1 to remain available until expended[, of which \$4,000,000 shall be for grants authorized by section 14204 of the Food, Conservation, and Energy Act of 2008]: *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
 2,3 [~~2009~~]2010, shall be available through June 30, [~~2010~~]2011; for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: *Provided further*, That any balances to carry out a housing demonstration program to provide revolving loans for the preservation of low-income multi-family housing projects as authorized in Public Law 108-447 and Public Law 109-97 shall be transferred to and merged with "Rural Housing Service, Multi-family Housing Revitalization Program Account".

The first change eliminates the funding for section 14204 of the Food, Conservation, and Energy Act of 2008.

The second change modifies the fiscal year from 2010 to 2011.

The third change modifies the expiration date from June 30, 2010 to June 30, 2011, for the Rural Economic Area Partnership Zones.

RURAL HOUSING SERVICE

Analysis of Change in Appropriation

RURAL HOUSING ASSISTANCE GRANTS

Appropriations Act, 2010.....	\$45,500,000
Budget Estimate, 2011.....	40,400,000
Decrease in Appropriation.....	<u><u>-5,100,000</u></u>

PROJECT STATEMENT
 (On basis of appropriation)
 (In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Domestic farm labor grants - hurricane disaster supplemental.....	0	0	0	0
Migrant and seasonal farmworker emergency grants.....	0	0	0	0
Very-low income housing repair grants.....	\$32,062	\$31,600	-\$600 (1)	\$31,000
Very-low income housing repair grants emergency supplemental.....	12	0	0	0
Very-low income housing repair grants 2003/2004 hurricanes emer. suppl. a/.....	0	0	0	0
Very-low income housing repair grants 2005 hurricanes emer. suppl. b/.....	2,285	0	0	0
Housing repair grants, 2007 tornadoes emergency supplemental c/.....	0	0	0	0
Housing repair grants, 2008 Disasters emergency supplemental d/.....	2,041	0	0	0
Supervisory and technical assistance.....	0	0	0	0
Compensation for construction defects.....	33	500	-500 (2)	0
Rural housing preservation grants.....	10,410	9,400	0	9,400
Processing workers housing grants.....	0	0	0	0
Farm Bill Section 14204 grants e/.....	0	4,000	-4,000 (3)	0
Total Available or Estimate.....	46,843	45,500	-5,100	40,400
Total administrative expenses - 2008 disasters d/.....	150	0	0	0
Recovery of prior year obligations.....	-1,300	0	0	0
Unobligated balance available, start of year.....	-12,808	0	0	0
Transfer of 2007 tornadoes to community facility grants.....	1,935	0	0	0
Transfer from RD Disaster Assistance Fund b/d/.....	-20,000	0	0	0
Unobligated balance available, end of year.....	26,680	0	0	0
Total Appropriation.....	41,500	45,500	-5,100	40,400

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

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

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Domestic farm labor grants - hurricane disaster supplemental.....	\$0	\$1,106	-\$1,106	\$0
Migrant and seasonal farmworker emergency grants.....	0	5,157	-5,157	0
Very-low income housing repair grants.....	32,062	32,034	-1,034	31,000
Very-low income housing repair grants emergency supplemental.....	12	0	0	0
Very-low income housing repair grants 2003/2004 hurricanes emer. suppl. a/.....	0	17	-17	0
Very-low income housing repair grants 2005 hurricanes emer. suppl. b/.....	2,285	13,070	-13,070	0
Housing repair grants, 2007 tornadoes emergency supplemental c/.....	0	50	-50	0
Housing repair grants, 2008 Disasters emergency supplemental d/.....	2,041	2,809	-2,809	0
Supervisory and technical assistance.....	0	43	-43	0
Compensation for construction defects.....	33	579	-579	0
Rural housing preservation grants.....	10,410	10,147	-747	9,400
Processing workers housing grants.....	0	3,167		
Farm Bill Section 14204 grants e/.....	0	4,000	-4,000	0
Total Available or Estimate.....	46,843	72,180	-28,612	40,400
Total administrative expenses - 2008 disasters d/.....	150	150	0	0
Recovery of prior year obligations.....	-1,300	0	0	0
Unobligated balance available, start of year.....	-12,808	-26,680	26,680	0
Transfer of 2007 tornadoes to community facility grants.....	1,935	0	0	0
Transfer from RD Disaster Assistance Fund b/d/.....	-20,000	0	0	0
Unobligated balance available, end of year.....	26,680	0	0	0
Total Appropriation.....	41,500	45,500	-5,100	40,400

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

Project Statement Footnotes:

- a/ Provided by the Emergency Supplemental Appropriations for Hurricanes Disasters Assistance Act of 2005, P.L. 108-324, signed October 13, 2004, for the purpose of serving communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.
- b/ 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.
- c/ 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.
- d/ 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.
- 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.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$600,000 in section 504 housing repair grants (\$31,600,000 available in 2010).

This decrease is a result of budgeting under tight constraints within Rural Development. There was a two percent increase in the number of loans in 2009 compared to that in 2008 and it expected that the trend will continue. This funding should be sufficient to fund very close to the historical number of grants in 2011.

- (2) A decrease of \$500,000 in section 509 compensation for construction defects (\$500,000 available in 2010).

Total construction defect claims average \$60,000 each year. It is anticipated there will be sufficient carryover funds from FY 2010 to fund this program for FY 2011.

- (3) A decrease of \$4,000,000 in section 14204 of Farm Bill grants (\$4,000,000 available in 2010).

This is new funding for FY 2010 and the outcome of program operations is unknown at this time. However, it is anticipated that there will be sufficient carryover funds from FY 2010 to fund this program for FY 2011. This program has been transferred to the Office of Outreach and Advocacy under the Departmental Administration, which will continue administering the program.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Very Low-Income Housing Repair Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$1,116,294	809,000	\$798,000
Alaska	137,800	192,000	181,000
Arizona	479,093	510,000	499,000
Arkansas	823,603	645,000	634,000
California	469,597	1,319,000	1,308,000
Colorado	294,780	324,000	313,000
Connecticut	87,647	104,000	93,000
Delaware	63,600	82,000	71,000
Florida	716,427	850,000	839,000
Georgia	1,285,733	1,024,000	1,013,000
Hawaii	191,630	205,000	194,000
Idaho	315,928	239,000	228,000
Illinois	1,118,287	738,000	727,000
Indiana	797,923	672,000	661,000
Iowa	506,886	499,000	488,000
Kansas	777,629	381,000	370,000
Kentucky	1,128,181	751,000	740,000
Louisiana	746,937	675,000	664,000
Maine	709,298	300,000	289,000
Maryland	265,291	259,000	248,000
Massachusetts	183,010	153,000	142,000
Michigan	1,164,751	923,000	912,000
Minnesota	617,335	656,000	645,000
Mississippi	993,200	755,000	744,000
Missouri	852,729	783,000	772,000
Montana	205,994	206,000	195,000
Nebraska	486,718	275,000	264,000
Nevada	89,945	100,000	89,000
New Hampshire	587,456	165,000	154,000
New Jersey	121,970	129,000	118,000
New Mexico	184,003	398,000	387,000
New York	1,027,178	882,000	871,000
North Carolina	1,593,596	1,403,000	1,392,000
North Dakota	481,066	131,000	120,000
Ohio	1,104,753	956,000	945,000
Oklahoma	435,225	589,000	578,000
Oregon	402,402	495,000	484,000
Pennsylvania	1,173,757	1,142,000	1,131,000
Rhode Island	29,519	21,000	10,000
South Carolina	839,790	724,000	713,000
South Dakota	244,192	202,000	191,000
Tennessee	1,185,412	831,000	820,000
Texas	1,840,853	2,204,000	2,193,000
Utah	234,693	138,000	127,000
Vermont	336,720	147,000	136,000
Virginia	868,310	733,000	722,000
Washington	507,074	554,000	543,000
West Virginia	592,555	436,000	425,000
Wisconsin	678,005	703,000	692,000
Wyoming	158,510	108,000	97,000
Puerto Rico	391,546	287,000	276,000
Virgin Islands	53,554	68,000	57,000
W. Pacific Areas	363,990	500,000	489,000
Undistributed	--	3,659,036	3,208,000
Total Avail./Est.	<u>\$32,062,375</u>	<u>\$32,034,036</u>	<u>\$31,000,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
Actual 2009 and Estimated 2010 and 2011

Rural Housing Preservation Grants

	2009	2010	2011
Alabama	\$282,000	\$250,369	\$250,000
Alaska	50,000	49,701	50,000
Arizona	206,322	150,712	151,000
Arkansas	282,419	195,587	195,000
California	803,340	393,969	394,000
Colorado	71,227	71,123	71,000
Connecticut	50,000	38,355	38,000
Delaware	50,000	16,087	16,000
Florida	245,053	244,696	245,000
Georgia	327,896	327,418	327,000
Hawaii	66,987	66,889	67,000
Idaho	63,002	62,910	63,000
Illinois	211,100	190,507	190,000
Indiana	182,900	182,633	183,000
Iowa	397,684	113,458	113,000
Kansas	143,800	95,677	96,000
Kentucky	389,464	294,905	295,000
Louisiana	268,795	268,403	268,000
Maine	96,000	77,304	77,000
Maryland	74,618	74,509	74,000
Massachusetts	67,241	67,143	67,000
Michigan	338,544	252,062	252,000
Minnesota	141,860	141,653	141,000
Mississippi	418,189	269,250	269,000
Missouri	150,000	208,288	208,000
Montana	--	52,495	52,000
Nebraska	60,458	60,370	60,000
Nevada	100,000	22,268	22,000
New Hampshire	100,000	42,589	42,000
New Jersey	55,709	55,628	55,000
New Mexico	121,848	121,671	122,000
New York	267,098	233,096	233,000
North Carolina	403,541	380,760	381,000
North Dakota	100,000	34,969	35,000
Ohio	292,538	292,111	292,000
Oklahoma	239,179	162,312	162,000
Oregon	170,660	120,485	120,000
Pennsylvania	312,634	312,178	312,000
Rhode Island	50,000	8,467	8,000
South Carolina	228,095	227,762	228,000
South Dakota	50,000	50,548	50,000
Tennessee	310,000	251,724	252,000
Texas	648,246	647,301	647,000
Utah	50,000	36,408	36,000
Vermont	186,546	34,122	34,000
Virginia	225,551	225,222	225,000
Washington	156,416	147,580	148,000
West Virginia	237,913	164,006	164,000
Wisconsin	198,106	158,587	158,000
Wyoming	50,000	25,994	26,000
Puerto Rico	417,438	416,830	417,000
Virgin Islands	--	23,115	23,000
W. Pacific Areas	--	54,781	55,000
Undistributed	--	1,679,828	941,000
Total Avail./Est.	<u>\$10,410,417</u>	<u>\$10,146,815</u>	<u>\$9,400,000</u>

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
Actual 2009 and Estimated 2010 and 2011

Rural Housing Assistance Grants

Processing Workers Housing Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$3,167,370 <u>1/</u></u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Farm Labor Housing Grants
2003/2004 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$1,106,100</u> <u>1/</u>	<u> --</u>

Migrant and Seasonal Disaster Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$5,157,137</u> <u>1/</u>	<u> --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Very Low-Income Housing Grants
for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Missouri	\$12,128	--	--
Total Avail./Est.	<u>\$12,128</u>	<u>--</u>	<u>--</u>

Very Low-Income Housing Grants
2003/2004 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$17,410</u> ^{1/}	<u>--</u>

Very Low-Income Housing Grants
2005 Hurricanes for Natural Disaster

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$129,026	--	--
Louisiana	434,582	--	--
Mississippi	1,697,210	--	--
Texas	24,095	--	--
Total Avail./Est.	<u>2,284,913</u>	<u>\$13,069,531</u> ^{1/}	<u>--</u>

Very Low-Income Housing Grants
2007 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$50,000</u> ^{1/}	<u>--</u>

Very Low-Income Housing Grants
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$319,142	--	--
Florida	7,500	--	--
Georgia	109,000	--	--
Illinois	118,425	--	--
Indiana	296,205	--	--
Iowa	98,444	--	--
Kentucky	55,593	--	--
Louisiana	222,773	--	--
Maine	97,431	--	--
Mississippi	115,476	--	--
Missouri	184,501	--	--
Nebraska	37,276	--	--
Tennessee	57,080	--	--
Texas	56,224	--	--
West Virginia	80,830	--	--
Wisconsin	184,806	--	--
Total Avail./Est.	<u>\$2,040,706</u>	<u>\$2,809,294</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Compensation for Construction Defects Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kentucky	\$2,200	--	--
Mississippi	12,595	--	--
Nevada	338	--	--
Ohio	15,800	--	--
Tennessee	1,989	--	--
Total Avail./Est.	<u>\$32,922</u>	<u>\$578,628 1/</u>	<u>--</u>

Supervisory and Technical Assistance Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$43,336 1/</u>	<u>--</u>

Farm Bill Section 14204 Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$4,000,000 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE
RURAL HOUSING ASSISTANCE GRANTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$150,000	\$0	\$0
41 Grants, subsidies, and contributions....	<u>46,843,460</u>	<u>72,180,000</u>	<u>40,400,000</u>
Total direct obligations.....	<u>46,993,460</u>	<u>72,180,000</u>	<u>40,400,000</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 Grants

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), [~~\$41,864,000~~]\$37,000,000, 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
1, 2 year [~~2009~~]2010, shall be available through June 30, [~~2010~~]2011, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

The first change modifies the fiscal year from 2010 to 2011.

The second change modifies the expiration date from June 30, 2010 to June 30, 2011, for the Rural Economic Area Partnership Zones.

RURAL HOUSING SERVICE

Analysis of Change in AppropriationMUTUAL AND SELF HELP HOUSING GRANTS

Appropriations Act, 2010	\$41,864,000
Budget Estimate, 2011	<u>37,000,000</u>
Decrease in Appropriations	<u><u>-4,864,000</u></u>

PROJECT STATEMENT
(On basis of appropriation)
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Mutual and self-help housing grants.....	\$31,038	\$41,864	-\$4,864 (1)	\$37,000
Total Available or Estimate.....	31,038	41,864	-4,864	37,000
Recovery of prior year obligations.....	-3,520	0	0	0
Unobligated balance available, start of year.....	-3,313	0	0	0
Unobligated balance available, end of year.....	14,522	0	0	0
Total Appropriation.....	38,727	41,864	-4,864	37,000

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

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

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Mutual and self-help housing grants.....	\$31,038	\$56,386	-\$19,386	\$37,000
Total Available or Estimate.....	31,038	56,386	-19,386	37,000
Recovery of prior year obligations.....	-3,520	0	0	0
Unobligated balance available, start of year.....	-3,313	-14,522	14,522	0
Unobligated balance available, end of year.....	14,522	0	0	0
Total Appropriation.....	38,727	41,864	-4,864	37,000

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

JUSTIFICATION OF DECREASE

- (1) A decrease of \$4,864,000 in mutual and self-help housing grants (\$41,864,000 available in 2010)

The proposed amount of \$37 million along with the substantial carryover will provide sufficient funds to carry out the program objectives.

RURAL HOUSING SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Mutual and Self-Help Housing Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$536,904	--	--
Arizona	823,788	--	--
Arkansas	1,207,520	--	--
California	5,466,138	--	--
Colorado	1,566,240	--	--
Delaware	1,401,000	--	--
Florida	3,700,883	--	--
Hawaii	675,784	--	--
Idaho	633,655	--	--
Indiana	294,132	--	--
Kansas	396,000	--	--
Michigan	273,900	--	--
Mississippi	728,708	--	--
Missouri	119,380	--	--
Montana	651,005	--	--
Nevada	436,512	--	--
New Mexico	486,695	--	--
North Carolina	1,092,252	--	--
Ohio	161,030	--	--
Oklahoma	1,900,456	--	--
Oregon	762,127	--	--
Pennsylvania	558,192	--	--
South Dakota	644,350	--	--
Tennessee	503,200	--	--
Texas	293,000	--	--
Utah	2,388,300	--	--
Washington	2,340,373	--	--
West Virginia	107,568	--	--
Wisconsin	652,351	--	--
West Pacific	236,700	--	--
Total Avail./Est.	<u>\$31,038,143</u>	<u>\$56,386,204</u> ^{1/}	<u>\$37,000,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL HOUSING SERVICE

MUTUAL AND SELF HELP HOUSING GRANTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$31,038,143</u>	<u>\$56,386,204</u>	<u>\$37,000,000</u>
Total direct obligations.....	<u>31,038,143</u>	<u>56,386,204</u>	<u>37,000,000</u>

RURAL HOUSING SERVICE**SUMMARY OF RECOVERY ACT FUNDING**

(in thousands)

<u>Program/Project/Activity</u>	<u>FY 2009</u>		<u>FY 2010</u>	
	PL Actual	BA Actual	PL Available	BA Available
Rural Community Loans Program	\$204,369	\$11,690	\$931,761	\$12,206
Rural Community Grants Program	\$31,117	\$31,117	\$71,086	\$71,086
Section 502 Direct Single Family Housing Low Income Loan Program	\$267,124	\$17,951	\$1,295,847	\$47,039
Section 502 Guaranteed Single Family Housing Purchase Loan Program	\$8,557,498	\$108,679	\$1,007,673	\$14,510
Section 502 Guaranteed Single Family Housing Refinance Loan Program	\$482,013	\$4,724	\$63,776	\$1,097
Total Available for Program	\$9,542,121	\$174,161	\$3,370,143	\$145,938
Salaries and Expenses	\$2,668	\$2,668	\$7,232	\$7,232
Total Available	\$9,544,789	\$176,829	\$3,377,375	153,170

Project Statement – Recovery Act

(On basis of available funds)

(in thousands)

	<u>FY 2009</u>			<u>FY 2010</u>			<u>PL</u>
	PL Actual	BA Actual	Staff Years	PL Available	BA Available	Staff Years	Increase or Decrease
Rural Community Loans Program	\$204,369	\$11,690		\$931,761	\$12,206		- \$931,761
Rural Community Grants Program	\$31,117	\$31,117		\$71,086	\$71,086		- \$71,086
Section 502 Direct Single Family Housing Low Income Loan Program	\$267,124	\$17,951		\$1,295,847	\$47,039		- \$1,295,847
Section 502 Guaranteed Single Family Housing Purchase Loan Program	\$8,557,498	\$108,679		\$1,007,673	\$14,510		- \$1,007,673
Section 502 Guaranteed Single Family Housing Refinance Loan Program	\$482,013	\$4,724		\$63,776	\$1,097		- \$63,776
Total Available for Program	\$9,542,121	\$174,161		\$3,370,143	\$145,938		- \$3,370,143
Salaries and Expenses	\$2,668	\$2,668		\$7,232	\$7,232		- \$7,232
Total Available	\$9,544,789	\$176,829		\$3,377,375	153,170		- \$3,377,375

Program Implementation Activities:**Single Family Housing:****FY 2009 Accomplishments:**

In FY 2009, 2,030 Section 502 Direct loans and 73,348 Section 502 Guaranteed loans under the ARRA program were obligated. (The guaranteed ARRA loans include 3,845 for refinancing.)

FY 2010 and FY 2011 Planned Activities:

In FY 2010, the Agency expects to obligate an additional 9,379 loans under the Section 502 Direct loan program and an additional 8,279 Section 502 Guaranteed loans (including a projected 485 for refinancing).

Community Facility Program:

* RD staff does not break out program results by specific program. Because many projects incorporate ARRA funds in combination with regular direct, grant, and guaranteed loan financing, breaking out by program section would encourage double and triple counting of each project.

Performance Measures:

Performance Measure	FY 2009 Actual	FY 2010 Target	FY 2011 Target
1. Rural Community Facilities Programs			
Percentage of rural population with access to improved health services	1.15%	1.40%	
Percentage of rural population with access to improved public safety services	3.22%	3.40%	
2. Homeownership Opportunities			
Section 502 Direct Single Family Housing Low Income Loan Program	2,030	9,379	
Section 502 Guaranteed Single Family Housing Purchase Loan Program	73,348	8,279	
Section 502 Guaranteed Single Family Housing Refinance Loan Program	3,845	485	

RURAL DEVELOPMENT HOUSING PROGRAMS

STATUS OF PROGRAMS

Current Activities:

In order to meet the Department's strategic goal of assisting rural communities thrive economically, the housing programs provide loans, grants and guarantees for housing and community facilities. This includes the funding of single family homes, housing for low-income persons, the elderly and disabled, housing for farm laborers, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, and other housing and community facilities.

Since the programs inception 60 years ago by the Housing Act of 1949, nearly 2.6 million low income rural Americans have been assisted with direct loans or guarantees from USDA to attain the American dream of homeownership.

Through FY 2009, the direct loan program has made more than \$63 billion in loans to low-income families who by definition are unable to obtain credit elsewhere. Despite the risk, this program has been a success as demonstrated by delinquency rates lower than other mortgage lending programs, such as FHA.

The program demonstrates that a low income home loan program can be a success with non-predatory lending practices and progressive loan servicing.

Historically, the largest portion of Community Facility (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 FY 2009, more than \$387 million was invested in 191 health care facilities serving more than 3.3 million rural residents. During the same period, 939 communities received more than \$132 million to finance fire, rescue, and public safety facilities and equipment benefitting more than 5.4 million rural residents. This funding includes ARRA and disaster funds.

Specific areas being addressed currently include:

1. RHS administrative development of an automated forecasting process to standardize the budget estimation method in order to achieve more accurate budgeting of rental assistance.
2. Improvement of administrative internal controls to strengthen verification methods of 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.
3. Guidance has been provided to State offices has to help ensure appropriate subsidy calculations by multi-family property managers and borrowers.

Recent Accomplishments for Rural Housing Assistance Grant (RHAG) Appropriations

Section 504 Housing Repair Loans and Grants

Since 1950, USDA has provided nearly 350,000 Very Low income rural homeowners with repair assistance totaling more than \$1.4 billion. These loans and grants, which average less than \$6,000, have been especially important in recent years with rebuilding after the great Gulf hurricanes. More than 6,000 families used \$50 million in Section 504 loans and grants to get their homes back in order.

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, including a high portion of minorities, to meet their homeownership goal. Since 1966, USDA has provided \$600 million to non-profit organizations around the country to organize more than 2,300 groups of families to build their own communities. This popular program is undergoing a major streamlining to hold down costs and provide better service to participant families and their sponsor groups.

Multi-Family Housing (MFH) Programs

Section 521 Rental Assistance Program:

In FY 2009 the Section 521 program provided more than \$900 million in rental assistance to very low and low income tenants in properties financed with Section 515 or Section 514/516 funds. More than 210,000 families received monthly assistance to pay their rent.

The Section 521 program annually conducts compliance reviews under the Improper Payments Information Act. In FY 2009, the program saw the error rate drop considerably as a direct result of training provided by Rural Development and industry groups.

Section 514/516 Farm Labor Housing Program:

The Farm Labor Housing program remains the only national source of construction funds dedicated for 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 annually made available through a competitive process.

Multi-family housing financed the construction and repair of more than 860 farm labor housing units in FY 2009. The selection process for farm labor housing loans and grants is conducted through a Federal Register notice, which establishes the criteria used by Rural Development to allocate these loans and grants. One of Rural Development's goals is to attract more external funding; typically, groups attracting external financing receive more points in the application review process.

Section 515 Multi-family Housing Preservation and Revitalization & Direct Rural Rental Housing Programs:

Multi-family housing preserved and constructed more than 6,400 units of housing through the Section 515 Multi-family Housing Preservation program and the Section 515 new construction program in FY 2009.

The RD Voucher program has offered about 9,000 vouchers to residents in rural America over the five year demonstration period. In that time, over \$16.3 million in Voucher funds have been obligated. Over 90% of these rural residents have elected to remain in the property they have called home for a period of years. Intentions behind the program were for a simple, direct and responsive approach to program delivery, without duplicating other federal rent assistance programs.

Section 538 Guaranteed Rural Rental Housing Program (GRRHP):

In FY 2009, the Guaranteed Rural Rental Housing program (GRRHP) obligated funds for the construction, repair, and rehabilitation of approximately 4,200 affordable rural rental housing units. More than 2,200 were newly constructed units. The GRRHP leverages more than \$4 of external funding for each dollar of guaranteed funds. Utilizing other funding sources enables the GRRHP to produce more new affordable housing and repair more existing affordable housing with a given amount of funding. The total amount of external funding attracted to the projects funded using the GRRHP was more than \$500 million, which help build or preserve 86 projects.

The GRRHP partnered with Ginnie Mae and Fannie Mae to provide added liquidity to lenders making guaranteed loans. Guaranteed loans in conjunction with Ginnie Mae and Fannie Mae's efforts allows Rural Development to attract private capital to rural communities while still providing affordable housing for very low and low income households.

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. Multi-family housing improved the housing quality of more than 2,300 families in FY 2009. During that year, this program had committed more than \$10 million to non-profit organizations and public bodies to be used to repair properties.

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 multifamily housing units that are below housing standards. This program attracted approximately \$2.00 of private and public funds for each \$1.00 of Rural Development housing preservation grants.

Processing Workers Housing Grants

Since 2004, the Housing and Community Facilities Programs has provided housing for processing workers through the Rural Housing Assistance Grant (RHAG) Budget. Grant proposals are accepted for agriculture, aquaculture, and seafood processing and/or fishery worker housing grants in the States of Alaska, Mississippi, Utah, and Wisconsin. To date, this program has provided 100 units of housing to very low, to low and moderate income processing workers in Mississippi and Alaska.

Farm worker Job Stability, Safety and Training Demonstration Program

As noted in Section 14204 of the Food, Conservation, and Energy Act of 2008, the "Farm Worker Job Stability, Safety and Training Demonstration Program" joint Office of Advocacy Outreach (OAO) Notice of Funding Availability (NOFA) will fund grants to assist agricultural employers and farm workers providing services that will improve the supply, stability, safety, and training of the agricultural labor force. Such eligible services shall be, but are not limited to, agricultural labor skills development; the provision of agricultural labor market information; transportation; workplace literacy and assistance with English as a second language; short-term housing while in transit to an agricultural worksite; and health and safety instruction, including ways of safeguarding the food supply of the United States. As authorized by Section 14204 of the Food, Conservation, and Energy Act of 2008, \$4,000,000 is appropriated to provide these services through FY 2012. Additionally, \$1,974,000 or 10 percent of Section 541 and 516 appropriations for FY 2010 will be used to provide services for short-term housing while in transit to an agricultural worksite. OAO will award six (6) grantees or two (2) eligible entities in each of the following regions: Eastern, Central and Western. Eligibility to provide such services is limited to nonprofit organizations or to a consortium of nonprofit organizations, agribusiness, State and local governments, agricultural labor organizations, farmer or rancher cooperatives, and community-based organizations with the capacity to train farm workers.

This program is in infant stages. Reportable accomplishments will be forthcoming.

Section 516 Domestic Farm Labor Housing Grants 2003/2004 Hurricanes Emergency Grants

Since 2004, the Housing and Community Facilities Programs has provided housing for processing workers through the Rural Housing Assistance Grant (RHAG) Budget. These funds are announced and made available by Public Notice which requests proposals for grants to provide emergency assistance to migrant farm workers and seasonal farm workers. Such funding provides emergency assistance repairs to houses of very low, to low and moderate-income migrant and seasonal farm workers. To date, this program has assisted over 100 farm worker households by providing repairs to 200 units.

Single Family Housing Programs

Section 502 Direct and Guaranteed Single Family Housing Loans:

In response to the current mortgage situation nationally, Rural Development housing programs provided more than 11,500 direct and 129,000 guaranteed homeownership opportunities (including disaster assistance) in FY 2009 – an increase of nearly 120 percent for the combined programs. The increase is due to the popularity of the guaranteed program, which is the only significant, no-down payment mortgage program remaining. Additional funding was provided under the American Recovery & Reinvestment Act (ARRA).

The popularity of the RHS programs is expected to increase. The Direct and Guaranteed programs will be using new automation tools to meet the growth in demand. The Guaranteed Underwriting System (GUS) is popular with lenders and facilitates ongoing expansion of the guaranteed program. GUS enables participating private-sector lenders to make loans faster and less expensively, which results in better quality loans and more consistent program delivery. GUS also fulfills legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act. Enhancements to GUS and improved lender monitoring will help Rural Development better manage increased loan volume. GUS may also be expanded to provide underwriting assistance for the direct program.

The number of homes financed by the direct loan program has declined since the year 2000 as funding levels remained flat and home prices continued to increase. The number of initial loans dropped below 10,000 for the first time since 1961. However, a significant decrease in subsidy rate and new funding available from ARRA, promoted an increase in the number of direct loans made in FY 2009.

The Mutual and Self-Help program allowed nearly 1,100 families to build their own homes in FY 2009 using their own 'sweat equity'.

Community Facilities Program

Emphasis on financing critical access hospitals resulted in more than \$800 million in Community Facility (CF) financing going to 195 such facilities from FY 2001 through FY 2009. Several of these facilities have received nation-wide attention as successful models that other rural communities can follow. Program staffs have developed expertise and relationships with lenders and other health care financing experts, enabling them to provide guidance to smaller rural communities lacking expertise in this complex area. For these facilities approved in FY 2009, ARRA funds may have been included in the financing packages.

The outreach and marketing project initiated in the middle of FY 2007 continued to show impressive results through the end of FY 2009. For the third consecutive year, the guaranteed loan program had a banner year in terms of funds utilized. While the overall housing economy suffered severe losses in FY 2009, this program has continued to provide financing for rural beneficiaries with few defaults due to strong underwriting standards.

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.

Multi-Family Housing:

In order to meet the agency 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, tenant protection and revitalization of an aging housing portfolio. A voucher program is provided to protect tenants threatened with displacement from properties exiting the program. To maximize new rental housing construction, we expect new construction from both Section 515 direct loans and Section 538 guaranteed loans.

While repair and rehabilitation of the portfolio is important, funding through an open ended demonstration program has been carried out since 2006 and the most cost effective and justified repairs have been achieved. At this point, additional funding in the demonstration program could be seen as over subsidizing the multifamily housing property owners. Meanwhile, the traditional way to fund revitalization has been through the multi-family housing direct loan program with rehabilitation loans. While the 2011 Budget proposes to terminate funding for the multi-family housing revitalization demonstration program, it proposes to increase the multi-family housing direct loan program from \$70 million to \$95 million, ensuring that more affordable rental housing opportunities are created for the very-low income tenant base in rural America. This program can be used for repair and rehabilitation as well as new construction.

The Section 538 Guaranteed Rural Rental Housing Program provides a public/private partnership with lenders and the investment community to build and preserve affordable housing in rural America. This partnership enables rural communities to attract private capital to build and preserve affordable rental housing. This capital along with other public funding sources provides the local community to build much needed affordable housing. The construction and operation of these affordable housing properties provides job opportunities for these rural communities. The requested rental assistance at \$966 million is sufficient to accommodate all of the rental assistance contracts that will need renewal funding in FY 2011.

Single Family Housing:

Since financing the first farm home in 1950, USDA's single family housing programs have assisted over 3 million rural families with the housing portfolio as of the end of Fiscal Year 2009 at \$39.4 billion in loans and loan guarantees for home purchase and repair. These programs provide the only means for many low- and moderate-income rural residents to become successful homeowners.

To meet USDA's strategic goal "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.

To make the Direct program more efficient, the agency is working towards automation of its loan application processes where possible. We are working on developing an on-line loan application process

that will allow potential applicants and partners to submit loan applications through an electronic interface that can be automatically imported into our loan processing systems. In addition, we are working towards adopting the current Guaranteed Underwriting System to include the Direct loan program, helping to make our loan underwriting more efficient and consistent.

The key goals discussed below measure the agency's success in achieving successful homeownership.

RD's Housing Programs have one strategic goal and one strategic objective that contributes to the Department's Priority Goal.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>USDA Priority Goal : Assist rural communities to create prosperity so that they are self-sustaining, repopulating and economically thriving.</p>	<p>Agency Goal 2: Improve the quality of life in Rural America</p>	<p><u>Objective 2.1:</u> Provide decent, safe and affordable housing</p>	<p>Sec. 502 Guaranteed Single Family Housing Purchase Sec. 502 Guaranteed Single Family Housing Refinance Sec. 515 Direct Multi-Family Housing Loans Sec. 538 Guaranteed Multi-Family Housing Sec. 504 Very Low Income Housing Repair Loans Sec. 504 Housing Repair Grants Sec. 524 Housing Site Development Loans Sec. 523 Self-Help Land Development Housing Loans Sec. 521 Rental Assistance Program Grants Sec. 502 Rental Assistance Program Grants Sec. 514 Farm Labor Housing Loans Sec. 516 Domestic Farm Labor Housing Grants Sec. 523 Mutual Self-Help Housing Grants Sec. 525 Supervisory and Technical Assistance Grants Sec. 533 Housing Preservation Grants Processing Workers Housing Grants Credit Sales of Acquired Property – Single Family Housing Credit Sales of Acquired Property - Multi-Family Housing Sec. 542 Multi-Family Housing Voucher Program</p>	<p><u>Key Outcomes:</u> Decent, safe and affordable housing</p>

Key Outcome: The single family housing programs support the Secretary's Priority Goal. This goal is "Rural communities create wealth so they are self-sustaining, repopulating and thriving economically."

Performance measures related to the single family housing programs include targets for the number of Section 502 loans financed annually and for the percentage of these loans to rural minority families.

Single family housing includes smaller programs to support and supplement its homeownership and repair programs. The self-help building method allows even the lowest income families to contribute their sweat to obtain equity in their homes while creating strong community bonds. These programs are aimed at rural areas with large numbers of minorities.

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 Direct	502 Guaranteed
Baseline Year: 2003	12,651	31,751
2004 Actual	14,641	34,251
2005 Actual	12,315	31,480
2006 Actual	11,461	29,476
2007 Actual	10,675	32,481
2008 Actual	9,829	62,320
2009 Actual	9,479	46,478
2010 Target	9,030	97,000
2011 Target	9,202	89,791
2012 Target	9,200	89,500

Explanation: This is an output measure for the number of home loans to be funded with program funds. This measure is dependent on program levels and housing costs. This is a significant measure because it shows the raw level of assistance the program is providing on an annual basis. This is what allows the government to say how many households we are assisting with this program. That has historically been what the stakeholders were interested in when inquiring about the annual funding level. A higher loan level results in a higher number of households assisted.

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

FHA Foreclosure Rate Compared to 502 Direct and Guaranteed		
	502 Direct	502 Guaranteed
Baseline Year: 2003	108	(-75)
2004 Actual	98	(-57)
2005 Actual	99	(-95)
2006 Actual	85	(-97)
2007 Actual	109	(-86)
2008 Actual	111	(-94)
2009 Actual	?	(-1.6)

2010 Target	300	25*
2011 Target	300	25*
2012 Target	300	25*

This measure compares default rates for section 502 direct and guaranteed loan program borrowers, in comparison that of Federal Housing Administration (FHA) loans.

The Self-Help default rate should be lower than the regular single family housing loan. The overall direct loan and guaranteed loan portfolio should compare favorably to FHA rates.

For Section 502 self-help housing borrowers, this measure compares the number of self-help borrowers who lose their homes in foreclosure to other Rural Development borrowers.

Self-Help Loan Delinquency compared to 502 Direct portfolio Number of Basis Points below 502 Direct Delinquency	
Baseline Year:	Basis Points
2003 Actual	413
2004 Actual	317
2005 Actual	417
2006 Actual	75
2007 Actual	343
2008 Actual	305
2009 Actual	275
2010 Target	200
2011 Target	200
2012 Target	200

Self-Help Foreclosure Rate compared to 502 Direct portfolio Number of Basis Points below 502 Direct Foreclosures	
Baseline Year: 2003	Actual 130
2004 Actual	115
2005 Actual	127
2006 Actual	85
2007 Actual	122
2008 Actual	110
2009 Actual	128
2010 Target	100
2011 Target	100
2012 Target	100

All these measures gauge the long-term success of Rural Development's affordable housing programs against comparable programs.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

Guaranteed Loan Program:

Through automation initiatives, it is getting faster and cheaper for rural Americans to purchase their homes. In FY 2007, the agency began rolling out an automated guaranteed underwriting system (GUS). GUS enables participating private-sector lenders to make loans faster and less expensive, results in better quality loans and more consistent program delivery. It fulfills legal requirements under the Freedom to E-File Act and the Government Paperwork Elimination Act.

We continue to encourage mortgage loan servicers to use a wide range of loss mitigation techniques. Greater emphasis on loss mitigation results in fewer foreclosures, fewer loss claims, and increased successful homeownership by borrowers who otherwise would have lost their homes. Loss mitigation techniques include special forbearance, loan modifications, and when possible, pre-foreclosure sales and the acceptance of deeds in lieu of foreclosures. RD processes over 250 such homeownership opportunities a month.

Direct Loan Program:

In FY 2009, Rural Development conducted a one year program to assist borrowers during these difficult economic times. The Housing Assistance Program (HAP) was implemented to minimize the pressure exerted on fiscally strapped borrowers and was extended to 5,100 homeowners. The agency set aside funds to pay towards the borrowers' monthly escrow installment for a period up to six months. During those months, the borrower paid only the regular mortgage payment and any outstanding fees. The escrow portion of their payment paid by the agency was then set aside to be paid at the end of the loan or when the borrower refinances or sells their dwelling. In this way, the 5,100 borrowers avoided foreclosure which reduced potential losses to the government by an estimated \$86.7 million – an excellent investment of about \$5 Million. Despite issues throughout the mortgage industry, the Single Family Housing Direct loan portfolio experienced an increase in the number of Foreclosures of only 4% from prior year. The overall industry reported 20-40% increases in foreclosures. Likewise, both SFH-GRH and Direct loan program delinquency outperformed the Federal Housing Authority (FHA) product throughout FY-09. Rural Development helped to mitigate the greatest economic crisis of the past sixty years through its own Homeowner Assistance Program (HAP), an aggressive, yet socially sensitive, implemented techniques to minimize the number of adversely impacted borrowers displaced by foreclosure.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

USDA will responsibly manage its Direct and Guaranteed loan portfolios with a goal of keeping its loan delinquency rate within certain thresholds of the FHA delinquency rate for FY 2011. FHA loans are serviced by the private sector. USDA's direct loan delinquency is expected to be higher because they are 'means tested' for families who cannot afford other credit.

FHA Delinquency Rates compared to 502 Direct and Guaranteed		
	502 Direct	502 Guaranteed
2004 Actual	.52	-345
2005 Actual	.66	-212
2006 Actual	12.3	-309
2007 Actual	75	-164
2008 Actual	-71	-211
2009 Target	-83	-241
2010 Target	150	50*
2011 Target	150	50*
2012 Target	150	50*

Guaranteed Loan Program: The goal in FY 2011 is to provide approximately 88,000 homeownership opportunities for low- and moderate-income rural families. This projection is based on an anticipated five percent annual increase from the average loan in FY 2009 as the cost of housing increases with the program reaching a wider range of borrowers.

We intend 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 FY 2011. FHA loans, like guaranteed loans, are serviced by the private sector. Even though guaranteed loans are “means tested,” the guaranteed loan portfolio has performed better than FHA over the past several years.

More lenders are doing business in rural America and more are looking to Rural Development for financing those with limited income and funds available. Further changes made to the guaranteed underwriting system (GUS) in FY 2010 and FY 2011 will increase its effectiveness and increase its “user friendliness” to lenders. An improved 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.

Efficiency Measure

For the Direct SFH program, the agency has been working on an efficiency measure regarding the ratio of total annual obligated salaries and expenses funding over the obligated average loan portfolio balance outstanding plus accrued interest and fees plus total average grants. At the moment cost accounting systems are not in place to track expenses at the program level. The agency has been working to differentiate administrative expenses among each loan program.

Year

2009 Actual	Under Development
2010 Actual	Under Development
2011 Target	Under Development

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%) 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 Target	60%
2011 Target	60%
2012 Target	60%

HPPG Measure: This measure will be accomplished by the number of home loans made. The expected number of single family housing guaranteed loans is about 90,000 for FY 2011.

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 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, those properties that have the best chance for continued economic health are addressed using the 515 direct loan 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. As a part of its efforts to better analyze the loan portfolio, Rural Development instituted an automated program that re-categorized properties based on outstanding compliance issues. This re-categorization resulted in a shift in classification proportions: A and B properties at the beginning of FY 2007 constituted 60 percent of the portfolio. The target remains at one percent move 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 percent of the baseline year portfolio
 Actual year 2008 – 61 percent (see Note on re-categorization above)
 Target year 2009 – 62 percent
 Target year 2010 – 63 percent
 Target year 2011 – 64 percent

Measure: Attract private capital (leverage) to preserve existing affordable housing and to build new, safe decent, sanitary, and affordable housing. The Section 538 program, over the past several years has attracted more than \$4 of private capital for each \$1 of loan guaranteed. The goal is to grow this leverage ratio by 30% each year. The goal for FY 2009 is continue to attract more than \$4.00 of public and private funds for each \$1.00 of loan guaranteed despite the credit market issues and the capital market issues. The Section 515 program and MFH Preservation demonstration program attract additional public and private funds as well. The Farm Labor Housing programs provided approximately \$3 of external funding for each \$1 of Federal funding. The goal for all programs is to increase the leverage amount by 30% each year.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

Multi-family housing (MFH) program has established an Electronic Data Interchange facilitating electronic reporting and a dynamic mapping facility to determine program-eligible areas. Ongoing efforts include the development of automated systems to facilitate underwriting, guarantee fee collection and improve loss claim processing. These systems are based on those already in use by Rural Development's private partners.

Rural Development's loan account and asset management servicing group initiated efforts to "train-up" newly-transferred RD staff that may be unfamiliar with Multi-family program requirements. These regional "basic servicing training" efforts, sponsored by several States, enable new and experienced staff to exchange ideas and information and learn or re-acquaint themselves with program fundamentals. MFH National Office staff sees this effort continuing through the new fiscal year as RD priorities require staffing changes. MFH has also integrated strengthened internal controls in its servicing oversight and monitoring through improved guidance issued to borrowers and management agents. Improper payment error rates have been reduced significantly and staff continues to work with industry groups to ensure a consistent

trend. This monitoring continues annually to ensure the payment error rate is well within the range established in the Improper Payment and Information Act.

The voucher program, now in its fourth year, has issued or renewed over 5,000 housing vouchers to tenants in more than 42 States as of the end of FY 2009. The program is designed to provide a rental subsidy to supplement the tenant's rent payment.

The Section 514/516 Farm Labor Housing program financed 1,900 units of housing in the Section 514/516 farm labor housing program in FY 2009 and will finance a similar number in FY 2010. The MFH Preservation effort has included the Farm Labor Housing programs for the first this past year. Including farm labor properties into the preservation will enable many farm labor properties to utilize the range of financing tools currently available to the Section 515 portfolio. Use of these tools on many farm labor properties will enable these properties to continue operating for 20 years or more.

Multi-family housing financed 5,781 units of housing in the Section 515 rural rental housing program in FY 2009. More than 80 percent of these units financed were repairs and revitalizations. As current affordable housing properties leave the affordable portfolio, replacement of these affordable housing units is critical. Both the Section 515 and Section 538 programs financed new construction of affordable housing units.

Rural Development has developed partnerships with Freddie Mac, Fannie Mae and Ginnie Mae to get the funding sources provided by these conduits to work with our programs. We have a pilot initiative with Freddie Mac to make first mortgage loans, after the agency subordinates to provide rehabilitation funding for our older Section 515 properties. Rural Development has partnered with Ginnie Mae to provide new construction financing and repair financing in the Section 538 guaranteed rural rental housing properties.

Housing preservation grants program strives to improve the quality of existing multi-family housing units through partnerships with various local organizations. Multi-family housing provided non-profits and public bodies with grants to enable them to raise the quality of housing for 2,215 families in FY 2009.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

The agency has approved portfolio transfers, consolidated transfers and single property transfers to address the financial needs of a large portion of the 15,000 property portfolio. In FY 2011, the agency expects to continue approving more portfolio and consolidated transfers. The section 515 program expects to build 805 new units.

In FY 2011, multi-family housing is expecting to finance 5,132 units using Section 538 loan guarantees with the \$129 million in program funds.

Multi-family Housing Programs expects to renew about 212,000 rental assistance contracts in FY 2011. Rental Assistance contracts are on a one-year contract term and the program continues to monitor the performance of these contracts for early renewal. Rental assistance units in the multifamily housing portfolio allow RD housing programs to continue to provide affordable housing to the very-low income residents of Section 515 and Section 514 rural rental housing.

Efficiency Measure:

The amount of 3rd party financing in RD financed properties is a measure of efficiency. This 3rd party financing, or leverage, enables Rural Development's program level of funds to reach more families who need affordable housing.

Baseline Year: 2002 -- \$161,805,674

Target year: 2007 -- \$403,972,482

Target year 2008 -- \$453,055,886

Target year 2009 -- \$501,597,588

Target year 2010 --- \$550,139,290

Target year 2011 --- \$598,680,992

Key Outcome:

HPPG Measure:

The only Multi-Family Housing 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% of program outlays. In FY2009, the RA program reported a rate of 2.06%, a reduction from the prior year. 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 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. In an increasingly knowledge-based economy in which both individuals and businesses have unprecedented mobility, the availability of quality community services is often a threshold condition for consideration in site location decisions. 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 housing 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
USDA Priority Goal: Rural communities create prosperity so that they are self-sustaining, repopulating and economically thriving	Agency Goal 2: 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 Guaranteed 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, Rural Development 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.

- Rural Development will continue to market its programs, to insure that officials and leaders in rural America are aware of the financial assistance RD can provide. We will continue to monitor our lending practices and underwriting standards to ensure that we are making quality investments.

HPPG Measures:

1. Number of rural residents served by new or improved essential community facilities.
2. Funds dedicated to the renovation and construction of child care and public school facilities.
3. Percentage of projects with completed environmental reviews prior to loan and grant obligation.

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 FY 2009. Beginning in FY 2010 and continuing until FY 2015, the goal for health care will be to increase the percentage of the rural population served from 5.4 percent to 6.3 percent, while the goals for public safety facilities will be to increase the percentage of the rural population with new or improved services from 5.0 to 5.9 percent.

Selected Past Accomplishments Toward Achievement of the Key Outcome:

In FY 2009, community facilities continued to make significant progress in assisting rural communities in financing critical access hospitals, which constitute one of the most critically vital services a community can provide. As these hospitals have become increasingly complex and expensive, rural communities face new challenges in obtaining affordable financing. A good example is the critical access hospital owned by the Wallowa Health Care District in Enterprise, Oregon. The 25-bed acute care facility, with an attached 32 bed nursing wing, replaced a hospital constructed in 1950. The new facility was completed in March, 2007, at a total cost of \$22, 619,636. The financing package consists of an \$8 million community facilities direct loan, two community facilities guaranteed loans totaling \$8.5 million through Community Bank of Joseph, Oregon, and hospital contributions of \$6,119,636. The level of community support for this project is demonstrated by the fact that the hospital was able to contribute 27 percent of the project cost.

A total of 50 hospitals and critical access hospitals and 10 outpatient facilities were funded in FY 2009 for a total investment of \$163 million. 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 FY 2009, USDA provided funds to construct, renovate, or improve over 1,800 essential community facilities. Rural Americans had new or improved services available from approximately 194 health care facilities, 951 public safety facilities, 259 educational facilities, 268 public buildings and improvements, and a number of other essential community facilities. More than 16.5 million rural residents had new or improved services available to them through these facilities.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

Retaining or attracting population, providing basic infrastructure, improving the quality of life, and increasing asset values are economic strategies used by government to assist rural economies. Given the funding level proposed for FY 2011, we expect to continue our steady progress in helping rural communities meet the most basic needs of their residents. We anticipate that approximately 2,300 new facilities will be funded in FY 2011.

This program is contributing to three new Initiatives: the Regional Innovation, Healthy Foods, Healthy Neighborhoods, and Know Your Farmer, Know Your Food Initiatives.

Efficiency Measures:

The Community Facility program's efficiency measure is the annual loan loss ratio for the direct and guaranteed loan programs. This is calculated by the annual amount of losses in each loan program, respectively, divided by the outstanding loan portfolio balance as of September 30.

27-105
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	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Performance Measure #1 Home Purchase loans						
Section 502 guaranteed loans						
a. Units	29,476	32,481	56,745	46,478	97,000	89,791
b. Dollars (billions)	\$2.9	\$3.3	\$6.2	\$5.7	\$12.5	\$12.0
Performance Measure #1 Home loans – initial & subsequent						
Section 502 direct loans						
a. Units	11,461	10,675	9,829	9,479	9,030	9,202
b. Dollars (billions)	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.2
Performance Measure #1 Home loans – initial & subsequent						
ARRA Recovery Act loans						
-- Sec. 502 Guaranteed						
a. Units				73,348	8,279	0
b. Dollars (billions)				\$9.0	\$1.1	\$0
-- Sec. 502 Direct						
a. Units				2,030	9,379	0
b. Dollars (billions)				\$.267	\$1.3	\$0

Units reported for sec. 502 direct loans are now "Loans." This includes all initial and subsequent obligations. Since FY 2006, the portion of funding for subsequent loans has totaled 1.0% or less each year. This change simplifies tracking and clarifies reports.

Notes: 1.) A significant number of sec. 502 guaranteed and direct loans were made in FY 2006-08 with supplemental Hurricane funding. These are not included above. 2.) Recovery Act funds do not include 3 % available for administrative expenses.

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Performance Measure #1 Sec. 502 direct loans for Self-Help homes						
Section 523 mutual self- help grants						
a. Units	1,474	1,277	1,202	1,073	1,200	1,250
b. Dollars (millions)	\$34.0	\$35.5	\$37.9	\$31.0	\$56.4	\$37.0
Performance Measure #2 Units selected for construction or rehabilitation						
Section 515 direct rental housing						
a. Units	5,731	6,166	5,977	5,781	5,340	6,059
b. Dollars (thousands)	\$99,200	\$98,925	\$131,714	\$67,738	\$69,512	95,236
Performance Measure #2 Units selected for construction or rehabilitation						
Section 538 guaranteed rental housing loans						
a. Units	2,354	4,102	5,457	4,252	5,805	5,132
b. Dollars (thousands)	\$97,200	\$90,356	132,381	120,852	141,487	129,133
Performance Measure #2 Contracts to be renewed						
Section 521 rental Assistance **						
a. Units	42,800	89,387	120,449	202,525	248,000	212,000
b. Dollars (thousands)	\$638,651	\$615,770	\$478,715	\$902,222	\$980,278	965,635

** Rental Assistance renewal contracts in FY 2006 were for a four-year period; 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.

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Performance Measure #2 Units selected for construction or rehabilitation						
Section 514/516 direct farm labor housing loans & grants						
a. Units	1,980	1,285	2,599	1,905	1,931	1,900
b. Dollars (thousands)	\$51,977	\$50,122	\$42,005	\$49,485	\$39,214	\$37,160

HOUSING AND COMMUNITY FACILITIES PROGRAMS				
Full Cost by Secretary's Strategic Priorities				
Strategic Priority: Assist rural communities to create wealth so they are self sustaining, repopulating and economically thriving.				
PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Direct Single Family Housing Loans (Section 502) 4/				
	Program Level	\$1,121,215	\$1,121,488	\$1,200,000
	Budget Authority	75,346	40,710	75,120
	Administrative Costs (Direct)	51,597	52,733	51,425
	Administrative Costs (Indirect)	24,281	24,815	24,200
	Total Costs	151,224	118,258	150,745
	FTEs	627	661	649
	Performance measure:			
	home loans			
	Target:	9,479	9,030	9,202
	Cost per Measure (unit cost)	15.95	13.10	16.38
Guaranteed Single Family Housing Purchase and Refinance Loans (Section 502)				
	Program Level	\$5,673,239	\$12,546,706	\$12,000,000
	Budget Authority	71,936	181,234	0
	Administrative Costs (Direct)	53,915	55,101	53,734
	Administrative Costs (Indirect)	25,371	25,930	25,287
	Total Costs	151,222	262,265	79,021
	FTEs	655	691	678
	Performance measure:			
	home purchase loans			
	Target: 5/	46,478	97,000	89,791
	Cost per Measure (unit cost)	3.25	2.70	0.88
Direct Rural Rental Housing Loans (Section 515)				
	Program Level	\$67,738	\$69,512	\$95,236
	Budget Authority	27,881	18,935	32,123
	Administrative Costs (Direct)	65,220	66,655	65,001
	Administrative Costs (Indirect)	30,692	31,367	30,589
	Total Costs	123,793	116,957	127,713
	FTEs	793	836	820
	Performance measure: units			
	selected for new const. or rehab.			
	Target:	5,781	5,340	6,059
	Cost per Measure (unit cost)	21.41	21.90	21.08
Guaranteed Multi-Family Housing (Section 538)				
	Program Level	\$120,852	\$141,487	\$129,133
	Budget Authority	8,080	1,627	12,513
	Administrative Costs (Direct)	19,220	19,642	19,155
	Administrative Costs (Indirect)	9,044	9,243	9,014
	Total Costs	36,344	30,512	40,682
	FTEs	233	246	242
	Performance measure: units			
	selected for new const. or rehab.			
	Target:	4,252	5,805	5,132
	Cost per Measure (unit cost)	8.55	5.26	7.93

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Housing Repair Loans (Section 504)				
	Program Level	\$26,814	\$34,412	\$34,004
	Budget Authority	7,205	4,422	6,437
	Administrative Costs (Direct)	7,024	7,179	7,001
	Administrative Costs (Indirect)	3,306	3,378	3,295
	Total Costs	17,535	14,979	16,733
	FTEs	85	90	88
	Performance measure: # of families assisted			
	Target:	4,636	5,833	5,651
	Cost per Measure (unit cost)	3.78	2.57	2.96
Housing Site Development Loans (Section 524)				
	Program Level	\$599	\$5,045	\$5,052
	Budget Authority	0	0	294
	Administrative Costs (Direct)	1,176	1,203	1,173
	Administrative Costs (Indirect)	554	566	552
	Total Costs	1,730	1,769	2,019
	FTEs	14	15	15
	Performance measure: # of sites financed			
	Target:	3	3	3
	Cost per Measure (unit cost)	576.67	589.67	673.00
Self-Help Land Development Housing Loans (Section 523)				
	Program Level	\$0	\$4,970	\$4,966
	Budget Authority	0	0	288
	Administrative Costs (Direct)	16,402	16,763	16,347
	Administrative Costs (Indirect)	7,719	7,889	7,693
	Total Costs	24,121	24,652	24,328
	FTEs	199	210	206
	Performance measure: # of sites financed			
	Target:	3	3	3
	Cost per Measure (unit cost)	8,040.33	8,217.33	8,109.33
Single and Multi-Family Housing Credit Sales (Non-Program)				
	Program Level	\$2,480	\$11,448	\$11,449
	Budget Authority	523	556	556
	Administrative Costs (Direct)	1,818	1,859	1,812
	Administrative Costs (Indirect)	856	875	853
	Total Costs	3,197	3,290	3,221
	FTEs	22	23	23
	Performance measure: 1/			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Rental Assistance Program (Section 521/502)				
	Program Level	\$902,222	\$980,278	\$965,635
	Budget Authority	902,222	980,278	965,635
	Administrative Costs (Direct)	15,226	15,561	15,175
	Administrative Costs (Indirect)	7,165	7,323	7,141
	Total Costs	924,613	1,003,162	987,951
	FTEs	185	195	191
	Performance measure: Families assisted with renewed Sec. 521 RA contracts			
	Target:	202,525	248,000	212,000
	Cost per Measure (unit cost)	4.57	4.05	4.66

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Farm Labor Housing Loans and Grants (Section 514/516) and Domestic Farm Labor Housing Grants				
	Program Level	\$49,485	\$39,214	\$37,161
	Budget Authority	29,506	20,477	20,346
	Administrative Costs (Direct)	19,861	20,298	19,795
	Administrative Costs (Indirect)	9,346	9,552	9,315
	Total Costs	58,713	50,327	49,456
	FTEs	241	254	250
	Performance measure: units selected for financing or new construction			
	Target:	1,905	1,931	1,900
	Cost per Measure (unit cost)	30.82	26.06	26.03
Rural Housing Voucher Program				
	Program Level	\$8,958	\$24,630	\$18,000
	Budget Authority	8,958	24,630	18,000
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	8,958	24,630	18,000
	FTEs	0	0	0
	Performance measure: Tenants Protected			
	Target:	2,519	4,419	5,050
	Cost per Measure (unit cost)	3.56	5.57	3.56
Multifamily Housing Revitalization Program (MHRP): MHRP Modifications, MHRP Zero Percent Loans, MHRP Soft Second Loans, MHRP Grants, (Section 515) 4/ and MHRP Preservation Demo Revolving Loan Fund				
	Program Level	\$25,763	\$68,252	\$0
	Budget Authority	22,197	31,758	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	22,197	31,758	0
	FTEs	0	0	0
	Performance measure: units selected for new const. or rehab.			
	Target:	4,500	3,200	0
	Cost per Measure (unit cost)	4.93	9.92	0
Mutual Self-Help Grants (Section 523)				
	Program Level	\$31,038	\$56,386	\$37,000
	Budget Authority	31,038	56,386	37,000
	Administrative Costs (Direct)	1,176	1,203	1,173
	Administrative Costs (Indirect)	554	566	552
	Total Costs	32,768	58,155	38,725
	FTEs	14	15	15
	Performance measure: # of families who build their own homes			
	Target:	1,073	1,200	1,250
	Cost per Measure (unit cost)	30.54	48.46	30.98
Housing Assistance Grants				
	Program Level	\$42,505	\$55,127	\$40,400
	Budget Authority	42,505	55,127	40,400
	Administrative Costs (Direct)	24,104	24,635	24,024
	Administrative Costs (Indirect)	11,343	11,593	11,305
	Total Costs	77,952	91,355	75,729
	FTEs	293	309	303
	Performance measure: 1/			
	Target:	0	0	0
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Rural Community Programs - Direct Community Facilities Loans, Guaranteed Community Facility Loans, Community Facility Grants				
	Program Level	\$435,502	\$1,204,545	\$531,083
	Budget Authority	56,921	77,512	41,717
	Administrative Costs (Direct)	79,838	81,595	79,571
	Administrative Costs (Indirect)	37,570	38,398	37,445
	Total Costs	174,329	197,505	158,733
	FTEs	970	1,024	1,004
	Performance measure: Percent of rural population with new or improved public safety services			
	Target:	5.0	5.4	5.4
	Cost per Measure (unit cost)	34,865.80	36,575.00	29,395.00
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.				
	Program Level	\$203,805	\$741,604	\$0
	Budget Authority	32,231	27,537	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	32,231	27,537	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Direct Single Family Emergency Supplemental, Direct Single Family 2005 Hurricane Emergency Supplemental, Direct Single Family May 6, 2007 Disaster Emergency Supplemental				
	Program Level	\$67,520	\$909,756	\$0
	Budget Authority	4,537	33,024	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	4,537	33,024	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
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).				
	Program Level	\$1,502,489	\$767,461	\$0
	Budget Authority	19,081	11,051	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	19,081	11,051	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Rural Rental Housing Loans, May 6, 2007, Disaster Emergency Supplemental (Section 515)				
	Program Level	\$0	\$1,403	\$0
	Budget Authority	0	382	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	382	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Guaranteed Multi-Family Housing Loans May 6, 2007 Disaster Emergency Supplemental and Guaranteed Multi-Family Housing Loans 2008 Disaster Emergency Supplemental (Section 538)				
	Program Level	\$11,663	\$6,178	\$0
	Budget Authority	749	1,191	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	749	1,191	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
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)				
	Program Level	\$211	\$41,433	\$0
	Budget Authority	57	5,324	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	57	5,324	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Direct Farm Labor Housing - Natural Disaster (Section 514)				
	Program Level	\$0	\$1,483	\$0
	Budget Authority	0	536	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	536	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Rural Housing Voucher Program 2008 Disaster Emergency Supplemental				
	Program Level	\$0	\$1,940	\$0
	Budget Authority	0	1,940	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	1,940	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
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 Revitalization Zero Percent Loans 2008 Disasters Suppl., MFH Revitalization Soft Second Loans 2008 Disaster Emer. Suppl., MFH Revitalization Grants Disasters Emer Suppl., (Section 515)				
	Program Level	\$0	\$6,494	\$0
	Budget Authority	0	5,820	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	5,820	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Domestic Farm Labor Housing Grants 2003/2004 Hurricanes Emergency Supplemental (Section 516)				
	Program Level	\$0	\$1,106	\$0
	Budget Authority	0	1,106	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	1,106	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
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)				
	Program Level	\$4,338	\$15,946	\$0
	Budget Authority	4,338	15,946	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	4,338	15,946	0
	FTEs	0	0	0
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Direct Community Facility Loans - Stimulus, Community Facility Grants - Stimulus				
	Program Level	\$235,487	\$1,002,848	\$0
	Budget Authority	42,808	83,292	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	42,808	83,292	0
	FTEs	0	0	0
	Performance measure:			
	% of pop w/ new or improved services			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A
Direct Single Family Housing Loans - Stimulus (Section 502)				
	Program Level	\$267,124	\$1,295,847	\$0
	Budget Authority	17,951	47,039	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	17,951	47,039	0
	FTEs	0	0	0
	Performance measure:			
	home loans			
	Target:	2,030.00	9,379	0
	Cost per Measure (unit cost)	8.84	5.02	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Guaranteed Single Family Housing Purchase Non-Subsidized - Stimulus; Guaranteed Single Family Housing				
	Program Level	\$9,039,511	\$1,071,449	\$0
	Budget Authority	113,403	15,607	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	113,403	15,607	0
	FTEs	0	0	0
	Performance measure: home purchase loans			
	Target: 5/	73,348	8,279	0
	Cost per Measure (unit cost)	1.55	1.89	0
Total for Secretary's Priorities				
	Program Level	\$19,840,558	\$22,228,448	\$15,109,119
	Budget Authority	1,519,473	1,743,447	1,250,429
	Administrative Costs (Direct)	356,577	364,427	355,386
	Administrative Costs (Indirect)	167,801	171,495	167,241
	Total Costs	2,043,851	2,279,369	1,773,056
	FTEs	4,331	4,569	4,484
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A

1/ Performance measures are currently under evaluation.

2/ The supplemental is included in P.L. 108-324 and is not included in the base program.

3/ Subsidy rate for the program not yet developed. Loan level doesn't reflect program availability.

4/ FY 2008 S&E and FTE for Section 502 Direct and Section 515 Direct under evaluation.

5/ Units for sec. 502 guaranteed include only loans to acquire homes, not refinance loans.

* 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 09 data based on Appropriation.

Totals may not balance due to rounding.

