



**Rural Housing Insurance Fund
Section 502 Direct Home Loan**
(Individual Assistance)



- 1. Authorization:** The program is authorized by Section 502 of the Housing Act of 1949, as amended, and is codified at 42 U.S.C. 1472, et. seq and implemented by 7 CFR part 3550. FY 25 funding is authorized in the Full-Year Continuing Appropriations and Extensions Act, 2025.
- 2. Purpose:** The purpose of the direct single family housing loan programs is to provide low- and very low-income people who cannot obtain other credit, the opportunity to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas.
- 5. Customer profile:** A 37-year old mother first time homebuyer with two dependents, average credit score of 693, making \$47,000 per year.
- 4. Funding Needs (current).** Significantly oversubscribed . 236 funding-ready loans totaling \$71.1 million awaiting receipt of appropriated funds. These are applicants with pending sales contracts and personal funds invested (inspections, credit report fees, deposits, etc.).
- 5. Application Pipeline:** There is \$1.8 billion in active, unfunded applications - of those 1,054 applications totaling \$321 million are in underwriting and will need funding soon (applicant determined eligible, property identified, and a loan decision can be made).
- 6. Executive Order Alignment:** The Direct Home loan Program adds critical, affordable housing stock across Rural America, with ~40% of obligations supporting new construction (builds and 'turn-key' homes) . This directly aligns with the President's January 20, 2025 Exec. Action titled 'Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis' which stated goals include to "...lower the cost of housing and expand housing supply; "

Spending Projections by Month Fiscal Year 2025

<i>Appropriation</i>		<i>Actuals (in millions)</i>									<i>Projected (in millions)</i>				<i>Year-End Balance</i>
<i>Amount</i>	<i>Alloted</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>July</i>	<i>Aug</i>	<i>Sep</i>		
\$715	\$529	\$71	\$64	\$24	\$93	\$61	\$62	\$63	\$73	\$8	\$90	\$90	\$15	\$0	

Funds Management (June-Sep): Each state will receive a tiered-based allocation based on remaining fund and obligation activity, with at least 40% of all funds made available to very-low income applicants (statute). States will manage allocations until the August pooling date - when unobligated funds are consolidated into the national office reserve. From that point, states will request additional funds using our survey tool. Requests are evaluated and funded on a case-by-case by the National Office - based on applicable law and regulations (i.e., priority category and application date).



**Rural Housing Insurance Fund
Native Community
Development Financial
Institution (NCDFI)**

- 1. Authorization:** The program is authorized by Section 502 of the Housing Act of 1949, as amended, and is codified at 42 U.S.C. 1472, et. seq and implemented by 7 CFR part 3550. FY 25 funding is authorized in the Full-Year Continuing Appropriations and Extensions Act, 2025.
- 2. Purpose:** To improve homeownership opportunities for Native American Tribes, Alaska Native Communities, and Native Hawaiian Communities in rural areas. The program provides mortgage lending capital to Native CDFIs through a 33-year loan at 1-percent interest, with a three year payment deferral at loan onset. Loans are then passed through to eligible mortgage loan recipients living on Tribal Lands
- 3. Customer profile:** Entities certified as Native Community Development Financial Institutions by the U.S. Treasury Secretary can apply.
- 4. End Recipient profile:** very low or low- income Native American family buying or building a home on tribal land.
- 5. Application Pipeline:** This program has been oversubscribed since its FY23 inception. In FY24, applications received totaled \$6.2 million, however only \$5.5 million in applications could be funded.
- 6. Executive Order Alignment:** The NCFI program provides opportunities for tribal members to purchase new or existing homes within their tribal communities, many of which are experiencing severe housing needs. This aligns with the President's January 20, 2025 Exec. Action titled 'Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis' which stated goals include to "... expand housing supply; "

Spending Projections by Month Fiscal Year 2025

Appropriation		Actuals									Projected				Year-End Balance
Amount	Alloted	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep		
\$4.6M	\$0M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4.6M	\$0	

Funds Management (June-Sep): Funding to awarded through the NOFO (Notice of Funding Opportunity) process. This includes a public notice of funding availability with application instructions. Once the application period closes, Agency staff review and score applications - a process that normally takes several weeks. All applications must be vetted and awards made/obligated prior to September 30th. Similar to prior years, the Agency expects more FY25 requests than available funding.