

118TH CONGRESS
1ST SESSION

S. 2790

To reform rural housing programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 2023

Ms. SMITH (for herself and Mr. ROUNDS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reform rural housing programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Rural Housing Service Reform Act of 2023”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—STREAMLINING AND UPDATES

Sec. 101. Application of multifamily mortgage foreclosure procedures to multi-family mortgages held by the Secretary of Agriculture and preservation of the rental assistance contract upon foreclosure.

Sec. 102. Study on rural housing loans for housing for low- and moderate-income families.

Sec. 103. Authorization of appropriations for staffing needs and information technology upgrades.

TITLE II—RURAL HOUSING PRESERVATION AND REVITALIZATION

Sec. 201. Permanent establishment of housing preservation and revitalization program.

Sec. 202. Eligibility for rural housing vouchers.

Sec. 203. Amount of voucher assistance.

Sec. 204. Rental assistance contract authority.

Sec. 205. Funding for technical improvements.

TITLE III—NATIVE CDFI RELENDING

Sec. 301. Native CDFI relending program.

TITLE IV—SECTION 504 LOANS AND GRANTS

Sec. 401. Modifications to loans and grants for minor improvements to farm housing and buildings.

TITLE V—RURAL COMMUNITY DEVELOPMENT INITIATIVE
GRANTS

Sec. 501. Rural Community Development Initiative.

TITLE VI—REPORTS

Sec. 601. Annual report on rural housing programs.

Sec. 602. GAO report on Rural Housing Service technology.

TITLE VII—RURAL HOUSING VOUCHER PROGRAM

Sec. 701. Adjustment to rural development voucher amount.

TITLE VIII—TRANSFERS TO NONPROFIT ORGANIZATIONS

Sec. 801. Transfer of multifamily rural housing projects.

TITLE IX—TERM OF DIRECT LOANS MADE BY THE RURAL
HOUSING SERVICE

Sec. 901. Extension of loan term.

1 **TITLE I—STREAMLINING AND**
 2 **UPDATES**

3 **SEC. 101. APPLICATION OF MULTIFAMILY MORTGAGE**
 4 **FORECLOSURE PROCEDURES TO MULTI-**
 5 **FAMILY MORTGAGES HELD BY THE SEC-**
 6 **RETARY OF AGRICULTURE AND PRESERVA-**
 7 **TION OF THE RENTAL ASSISTANCE CON-**
 8 **TRACT UPON FORECLOSURE.**

9 (a) MULTIFAMILY MORTGAGE PROCEDURES.—Sec-
 10 tion 363 of the Multifamily Mortgage Foreclosure Act of
 11 1981 (12 U.S.C. 3702) is amended—

12 (1) in paragraph (2)—

13 (A) in subparagraph (D), by striking
 14 “and” at the end;

15 (B) in subparagraph (E), by striking the
 16 period at the end and inserting “; or”; and

17 (C) by adding at the end the following:

18 “(F) section 514, 515, or 538 of the Hous-
 19 ing Act of 1949 (42 U.S.C. 1484, 1485,
 20 1490p).”; and

21 (2) in paragraph (10)—

22 (A) by striking “means the Secretary” and
 23 inserting the following: “means—

24 “(A) the Secretary”;

1 (B) in subparagraph (A), as so designated,
2 by striking the period at the end and inserting
3 “, with respect to a multifamily mortgage de-
4 scribed in subparagraph (A), (B), (C), (D), or
5 (E) of paragraph (2); and”;

6 (C) by adding at the end the following:

7 “(B) the Secretary of Agriculture, with re-
8 spect to a multifamily mortgage described in
9 paragraph (2)(F).”.

10 (b) PRESERVATION OF CONTRACT.—Section 521(d)
11 of the Housing Act of 1949 (42 U.S.C. 1490a(d)) is
12 amended by adding at the end the following:

13 “(3) Notwithstanding any other provision of law in
14 managing and disposing of any multifamily property that
15 is owned or has a mortgage held by the Secretary, and
16 during the process of foreclosure on any property with a
17 contract for rental assistance under this section—

18 “(A) the Secretary shall maintain any rental as-
19 sistance payments that are attached to any dwelling
20 units in the property; and

21 “(B) the rental assistance contract may be used
22 to provide further assistance to existing projects
23 under 514, 515, or 516.”.

1 **SEC. 102. STUDY ON RURAL HOUSING LOANS FOR HOUSING**
2 **FOR LOW- AND MODERATE-INCOME FAMI-**
3 **LIES.**

4 Not later than 6 months after the date of enactment
5 of this Act, the Secretary of Agriculture shall conduct a
6 study and submit to Congress a publicly available report
7 on the loan program under section 521 of the Housing
8 Act of 1949 (42 U.S.C. 1490a), including—

9 (1) the total amount provided by the Secretary
10 in subsidies under such section 521 to borrowers
11 with loans made pursuant to section 502 of such Act
12 (42 U.S.C. 1472);

13 (2) how much of the subsidies described in
14 paragraph (1) are being recaptured; and

15 (3) the amount of time and costs associated
16 with recapturing those subsidies.

17 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS FOR**
18 **STAFFING NEEDS AND INFORMATION TECH-**
19 **NOLOGY UPGRADES.**

20 There is authorized to be appropriated to the Sec-
21 retary of Agriculture for each of fiscal years 2024 through
22 2028 such sums as may be necessary for increased staff-
23 ing needs and information technology upgrades to support
24 all Rural Housing Service programs.

1 **TITLE II—RURAL HOUSING**
 2 **PRESERVATION AND REVI-**
 3 **TALIZATION**

4 **SEC. 201. PERMANENT ESTABLISHMENT OF HOUSING PRES-**
 5 **ERVATION AND REVITALIZATION PROGRAM.**

6 Title V of the Housing Act of 1949 (42 U.S.C. 1471
 7 et seq.) is amended by adding at the end the following:

8 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
 9 **PROGRAM.**

10 “(a) ESTABLISHMENT.—The Secretary shall carry
 11 out a program under this section for the preservation and
 12 revitalization of multifamily rental housing projects fi-
 13 nanced under section 514, 515, or 516.

14 “(b) NOTICE OF MATURING LOANS.—

15 “(1) TO OWNERS.—On an annual basis, the
 16 Secretary shall provide written notice to each owner
 17 of a property financed under section 514, 515, or
 18 516 that will mature within the 4-year period begin-
 19 ning upon the provision of the notice, setting forth
 20 the options and financial incentives that are avail-
 21 able to facilitate the extension of the loan term or
 22 the option to decouple a rental assistance contract
 23 pursuant to subsection (f).

24 “(2) TO TENANTS.—

1 “(A) IN GENERAL.—On an annual basis,
2 for each property financed under section 514,
3 515, or 516, not later than the date that is 2
4 years before the date that the loan will mature,
5 the Secretary shall provide written notice to
6 each household residing in the property that in-
7 forms them of—

8 “(i) the date of the loan maturity;

9 “(ii) the possible actions that may
10 happen with respect to the property upon
11 that maturity; and

12 “(iii) how to protect their right to re-
13 side in federally assisted housing, or how
14 to secure housing voucher, after that ma-
15 turity.

16 “(B) LANGUAGE.—Notice under this para-
17 graph shall be provided in plain English and
18 shall be translated to other languages in the
19 case of any property located in an area in which
20 a significant number of residents speak such
21 other languages.

22 “(c) LOAN RESTRUCTURING.—Under the program
23 under this section, in any circumstance in which the Sec-
24 retary proposes a restructuring to an owner or an owner
25 proposes a restructuring to the Secretary, the Secretary

1 may restructure such existing housing loans, as the Sec-
2 retary considers appropriate, for the purpose of ensuring
3 that those projects have sufficient resources to preserve
4 the projects to provide safe and affordable housing for low-
5 income residents and farm laborers, by—

6 “(1) reducing or eliminating interest;

7 “(2) deferring loan payments;

8 “(3) subordinating, reducing, or reamortizing
9 loan debt;

10 “(4) providing other financial assistance, in-
11 cluding advances, payments, and incentives (includ-
12 ing the ability of owners to obtain reasonable re-
13 turns on investment) required by the Secretary; and

14 “(5) permanently removing a portion of the
15 housing units from income restrictions when sus-
16 tained vacancies have occurred.

17 “(d) RENEWAL OF RENTAL ASSISTANCE.—

18 “(1) IN GENERAL.—When the Secretary pro-
19 poses to restructure a loan or agrees to the proposal
20 of an owner to restructure a loan pursuant to sub-
21 section (c), the Secretary shall offer to renew the
22 rental assistance contract under section 521(a)(2)
23 for a 20-year term that is subject to annual appro-
24 priations, provided that the owner agrees to bring
25 the property up to such standards that will ensure

1 maintenance of the property as decent, safe, and
2 sanitary housing for the full term of the rental as-
3 sistance contract.

4 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
5 respect to a project described in paragraph (1), if
6 rental assistance is not available for all households
7 in the project for which the loan is being restruc-
8 tured pursuant to subsection (c), the Secretary may
9 extend such additional rental assistance to unas-
10 sisted households at that project as is necessary to
11 make the project safe and affordable to low-income
12 households.

13 “(e) RESTRICTIVE USE AGREEMENTS.—

14 “(1) REQUIREMENT.—As part of the preserva-
15 tion and revitalization agreement for a project, the
16 Secretary shall obtain a restrictive use agreement
17 that is recorded and obligates the owner to operate
18 the project in accordance with this title.

19 “(2) TERM.—

20 “(A) NO EXTENSION OF RENTAL ASSIST-
21 ANCE CONTRACT.—Except when the Secretary
22 enters into a 20-year extension of the rental as-
23 sistance contract for a project, the term of the
24 restrictive use agreement for the project shall

1 be consistent with the term of the restructured
2 loan for the project.

3 “(B) EXTENSION OF RENTAL ASSISTANCE
4 CONTRACT.—If the Secretary enters into a 20-
5 year extension of the rental assistance contract
6 for a project, the term of the restrictive use
7 agreement for the project shall be for the longer
8 of—

9 “(i) 20 years; or

10 “(ii) the remaining term of the loan
11 for that project.

12 “(C) TERMINATION.—The Secretary may
13 terminate the 20-year use restrictive use agree-
14 ment for a project before the end of the term
15 of the agreement if the 20-year rental assist-
16 ance contract for the project with the owner is
17 terminated at any time for reasons outside the
18 control of the owner.

19 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

20 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
21 TRACT.—If the Secretary determines that a matur-
22 ing loan for a project cannot reasonably be restruc-
23 tured in accordance with subsection (c) because it is
24 not financially feasible or the owner does not agree
25 with the proposed restructuring, and the project was

1 operating with rental assistance under section 521
2 and the recipient is a borrower under section 514 or
3 515, the Secretary may renew the rental assistance
4 contract, notwithstanding any provision of section
5 521, for a term, subject to annual appropriations, of
6 20 years.

7 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
8 respect to a project described in paragraph (1), if
9 rental assistance is not available for all households
10 in the project for which the loan is being restruc-
11 tured pursuant to subsection (c), the Secretary may
12 extend such additional rental assistance to unas-
13 sisted households at that project as is necessary to
14 make the project safe and affordable to low-income
15 households.

16 “(3) RENTS.—Any agreement to extend the
17 term of the rental assistance contract under section
18 521 for a project shall obligate the owner to con-
19 tinue to maintain the project as decent, safe and
20 sanitary housing and to operate the development as
21 affordable housing in a manner that meets the goals
22 of this title, except that the Secretary shall establish
23 standards for the setting of rents.

24 “(4) CONDITIONS FOR APPROVAL.—

1 “(A) PLAN.—Before the approval of a
2 rental assistance contract authorized under this
3 section, the Secretary shall require the owner to
4 submit to the Secretary a plan that identifies fi-
5 nancing sources and a timetable for renovations
6 and improvements determined to be necessary
7 by the Secretary to maintain and preserve the
8 project.

9 “(B) AUTOMATIC APPROVAL.—If a plan
10 submitted under subparagraph (A) is not acted
11 upon by the Secretary within 30 days of the
12 submission, the rental assistance contract is
13 automatically approved for not more than a 1-
14 year period.

15 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
16 ASSISTANCE.—Under the program under this section, the
17 Secretary may provide grants to qualified nonprofit orga-
18 nizations and public housing agencies to provide technical
19 assistance, including financial and legal services, to bor-
20 rowers under loans under this title for multifamily housing
21 to facilitate the acquisition or preservation of such multi-
22 family housing properties in areas where the Secretary de-
23 termines there is a risk of loss of affordable housing.

24 “(h) ADMINISTRATIVE EXPENSES.—Of any amounts
25 made available for the program under this section for any

1 fiscal year, the Secretary may use not more than
 2 \$1,000,000 for administrative expenses for carrying out
 3 such program.

4 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
 5 authorized to be appropriated for the program under this
 6 section \$200,000,000 for each of fiscal years 2024
 7 through 2028.

8 “(j) RULEMAKING.—

9 “(1) IN GENERAL.—Not later than 180 days
 10 after the date of enactment of the Rural Housing
 11 Service Reform Act of 2023, the Secretary shall—

12 “(A) publish an advance notice of proposed
 13 rulemaking; and

14 “(B) consult with appropriate stake-
 15 holders.

16 “(2) INTERIM FINAL RULE.—Not later than 1
 17 year after the date of enactment of the Rural Hous-
 18 ing Service Reform Act of 2023, the Secretary shall
 19 publish an interim final rule to carry out this sec-
 20 tion.”.

21 **SEC. 202. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.**

22 Section 542 of the Housing Act of 1949 (42 U.S.C.
 23 1490r) is amended by adding at the end the following:

24 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
 25 514, 515, AND 516 PROJECTS.—The Secretary may pro-

1 vide rural housing vouchers under this section for any low-
2 income household (including those not receiving rental as-
3 sistance) residing for a term longer than the remaining
4 term of their lease that is in effect on the date of mortgage
5 maturity, in a property financed with a loan under section
6 514 or 515 or a grant under section 516 that has—

7 “(1) been prepaid with or without restrictions
8 imposed by the Secretary pursuant to section
9 502(c)(5)(G)(ii)(I);

10 “(2) been foreclosed; or

11 “(3) matured after September 30, 2005.”.

12 **SEC. 203. AMOUNT OF VOUCHER ASSISTANCE.**

13 Notwithstanding any other provision of law, in the
14 case of any rural housing voucher provided pursuant to
15 section 542 of the Housing Act of 1949 (42 U.S.C.
16 1490r), the amount of the monthly assistance payment for
17 the household on whose behalf the assistance is provided
18 shall be determined as provided in subsection (a) of such
19 section 542, including providing for interim and annual
20 review of the voucher amount in the event of a change
21 in household composition or income or rental rate.

22 **SEC. 204. RENTAL ASSISTANCE CONTRACT AUTHORITY.**

23 Section 521(d) of the Housing Act of 1949 (42
24 U.S.C. 1490a(d)), as amended by section 101(b), is
25 amended—

1 (1) in paragraph (1)—

2 (A) by redesignating subparagraphs (B)
3 and (C) as subparagraphs (C) and (D), respec-
4 tively;

5 (B) by inserting after subparagraph (A)
6 the following:

7 “(B) upon request of an owner of a project fi-
8 nanced under section 514 or 515, the Secretary is
9 authorized to enter into renewal of such agreements
10 for a period of 20 years or the term of the loan,
11 whichever is shorter, subject to amounts made avail-
12 able in appropriations Acts;”;

13 (C) in subparagraph (C), as so redesign-
14 ated, by striking “subparagraph (A)” and in-
15 serting “subparagraphs (A) and (B)”; and

16 (D) in subparagraph (D), as so redesign-
17 ated, by striking “subparagraphs (A) and
18 (B)” and inserting “subparagraphs (A), (B),
19 and (C)”; and

20 (2) in paragraph (2), by striking “shall” and
21 inserting “may”; and

22 (3) by adding at the end the following:

23 “(4) In the case of any rental assistance contract au-
24 thority that becomes available because of the termination
25 of assistance on behalf of an assisted family—

1 “(A) at the option of the owner of the rental
 2 project, the Secretary shall provide the owner a pe-
 3 riod of not more than 6 months before unused as-
 4 sistance is made available pursuant to subparagraph
 5 (B) during which the owner may use such assistance
 6 authority to provide assistance on behalf of an eligi-
 7 ble unassisted family that—

8 “(i) is residing in the same rental project
 9 that the assisted family resided before the ter-
 10 mination; or

11 “(ii) newly occupies a dwelling unit in the
 12 rental project during that 6-month period; and

13 “(B) except for assistance used as provided in
 14 subparagraph (A), the Secretary shall use such re-
 15 maining authority to provide assistance on behalf of
 16 eligible families residing in other rental projects
 17 originally financed under section 514, 515, or 516.”.

18 **SEC. 205. FUNDING FOR TECHNICAL IMPROVEMENTS.**

19 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There is
 20 authorized to be appropriated to the Secretary of Agri-
 21 culture such sums as may be necessary for fiscal year
 22 2024 for improving the technology of the Department of
 23 Agriculture used to process and manage housing loans.

24 (b) **TIMELINE.**—The improvements required under
 25 subsection (a) shall be made within the 5-year period be-

1 ginning upon the appropriation of amounts under sub-
 2 section (a), and those amounts shall remain available until
 3 the expiration of that 5-year period.

4 **TITLE III—NATIVE CDFI**
 5 **RELENDING**

6 **SEC. 301. NATIVE CDFI RELENDING PROGRAM.**

7 Section 502 of the Housing Act of 1949 (42 U.S.C.
 8 1472) is amended by adding at the end the following:

9 “(j) SET ASIDE FOR NATIVE COMMUNITY DEVELOP-
 10 MENT FINANCIAL INSTITUTIONS.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘Alaska Native’ has the
 13 meaning given the term ‘Native’ in section 3(b)
 14 of the Alaska Native Claims Settlement Act (43
 15 U.S.C. 1602(b));

16 “(B) the term ‘appropriate congressional
 17 committees’ means—

18 “(i) the Committee on Agriculture of
 19 the Senate;

20 “(ii) the Committee on Indian Affairs
 21 of the Senate;

22 “(iii) the Committee on Banking,
 23 Housing, and Urban Affairs of the Senate;

24 “(iv) the Committee on Agriculture of
 25 the House of Representatives;

1 “(v) the Committee on Natural Re-
2 sources of the House of Representatives;
3 and

4 “(vi) the Committee on Financial
5 Services of the House of Representatives;

6 “(C) the term ‘community development fi-
7 nancial institution’ has the meaning given the
8 term in section 103 of the Community Develop-
9 ment Banking and Financial Institutions Act of
10 1994 (12 U.S.C. 4702);

11 “(D) the term ‘Indian Tribe’ has the
12 meaning given the term ‘Indian tribe’ in section
13 4 of the Native American Housing Assistance
14 and Self-Determination Act of 1996 (25 U.S.C.
15 4103);

16 “(E) the term ‘Native community develop-
17 ment financial institution’ means an entity—

18 “(i) that has been certified as a com-
19 munity development financial institution by
20 the Secretary of the Treasury;

21 “(ii) that is not less than 51 percent
22 owned or controlled by members of Indian
23 Tribes, Alaska Native communities, or Na-
24 tive Hawaiian communities; and

1 “(iii) for which not less than 51 per-
2 cent of the activities of the entity serve In-
3 dian Tribes, Alaska Native communities,
4 or Native Hawaiian communities;

5 “(F) the term ‘Native Hawaiian’ has the
6 meaning given the term in section 801 of the
7 Native American Housing Assistance and Self-
8 Determination Act of 1996 (25 U.S.C. 4221);
9 and

10 “(G) the term ‘priority Tribal land’
11 means—

12 “(i) any land located within the
13 boundaries of—

14 “(I) an Indian reservation, pueb-
15 lo, or rancharia; or

16 “(II) a former reservation within
17 Oklahoma;

18 “(ii) any land not located within the
19 boundaries of an Indian reservation, pueb-
20 lo, or rancharia, the title to which is held—

21 “(I) in trust by the United States
22 for the benefit of an Indian Tribe or
23 an individual Indian;

24 “(II) by an Indian Tribe or an
25 individual Indian, subject to restric-

1 tion against alienation under laws of
2 the United States; or

3 “(III) by a dependent Indian
4 community;

5 “(iii) any land located within a region
6 established pursuant to section 7(a) of the
7 Alaska Native Claims Settlement Act (43
8 U.S.C. 1606(a));

9 “(iv) Hawaiian Home Lands, as de-
10 fined in section 801 of the Native Amer-
11 ican Housing Assistance and Self-Deter-
12 mination Act of 1996 (25 U.S.C. 4221); or

13 “(v) those areas or communities des-
14 ignated by the Assistant Secretary of In-
15 dian Affairs of the Department of the Inte-
16 rior that are near, adjacent, or contiguous
17 to reservations where financial assistance
18 and social service programs are provided to
19 Indians because of their status as Indians.

20 “(2) PURPOSE.—The purpose of this subsection
21 is to—

22 “(A) increase homeownership opportunities
23 for Indian Tribes, Alaska Native Communities,
24 and Native Hawaiian communities in rural
25 areas; and

1 “(B) provide capital to Native community
2 development financial institutions to increase
3 the number of mortgage transactions carried
4 out by those institutions.

5 “(3) SET ASIDE FOR NATIVE CDFIS.—Of
6 amounts appropriated to make direct loans under
7 this section for each fiscal year, the Secretary may
8 use not more than \$50,000,000 to make direct loans
9 to Native community development financial institu-
10 tions in accordance with this subsection.

11 “(4) APPLICATION REQUIREMENTS.—A Native
12 community development financial institution desiring
13 a loan under this subsection shall demonstrate that
14 the institution—

15 “(A) can provide the non-Federal cost
16 share required under paragraph (6); and

17 “(B) is able to originate and service loans
18 for single family homes.

19 “(5) LENDING REQUIREMENTS.—A Native com-
20 munity development financial institution that re-
21 ceives a loan pursuant to this subsection shall—

22 “(A) use those amounts to make loans to
23 borrowers—

24 “(i) who otherwise meet the require-
25 ments for a loan under this section; and

1 “(ii) who—

2 “(I) are members of an Indian
3 Tribe, an Alaska Native community,
4 or a Native Hawaiian community; or

5 “(II) maintain a household in
6 which not less 1 member is a member
7 of an Indian Tribe, an Alaska Native
8 community, or a Native Hawaiian
9 community; and

10 “(B) in making loans under subparagraph
11 (A), give priority to borrowers described in that
12 subparagraph who are residing on priority Trib-
13 al land.

14 “(6) NON-FEDERAL COST SHARE.—

15 “(A) IN GENERAL.—A Native community
16 development financial institution that receives a
17 loan under this section shall be required to
18 match not less than 20 percent of the amount
19 received.

20 “(B) WAIVER.—In the case of a loan for
21 which amounts are used to make loans to bor-
22 rowers described in paragraph (5)(B), the Sec-
23 retary shall waive the non-Federal cost share
24 requirement described in subparagraph (A) with
25 respect to those loan amounts.

1 “(7) REPORTING.—

2 “(A) ANNUAL REPORT BY NATIVE
3 CDFIS.—Each Native community development
4 financial institution that receives a loan pursu-
5 ant to this subsection shall submit an annual
6 report to the Secretary on the lending activities
7 of the institution using the loan amounts, which
8 shall include—

9 “(i) a description of the outreach ef-
10 forts of the institution in local communities
11 to identify eligible borrowers;

12 “(ii) a description of how the institu-
13 tion leveraged additional capital to reach
14 prospective borrowers;

15 “(iii) the number of loan applications
16 received, approved, and deployed;

17 “(iv) the average loan amount;

18 “(v) the number of finalized loans
19 that were made on Tribal trust lands and
20 not on Tribal trust lands; and

21 “(vi) the number of finalized loans
22 that were made on priority Tribal land and
23 not priority Tribal land.

24 “(B) ANNUAL REPORT TO CONGRESS.—

25 Not later than 1 year after the date of enact-

1 ment of this subsection, and every year there-
2 after, the Secretary shall submit to the appro-
3 priate congressional communities a report that
4 includes—

5 “(i) a list of loans made to Native
6 community development financial institu-
7 tions pursuant to this subsection, including
8 the name of the institution and the loan
9 amount;

10 “(ii) the percentage of loans made
11 under this section to members of Indian
12 Tribes, Alaska Native communities, and
13 Native Hawaiian communities, respectively,
14 including a breakdown of loans made to
15 households residing on and not on Tribal
16 trust lands; and

17 “(iii) the average loan amount made
18 by Native community development finan-
19 cial institutions pursuant to this sub-
20 section.

21 “(C) EVALUATION OF PROGRAM.—Not
22 later than 3 years after the date of enactment
23 of this subsection, the Secretary and the Sec-
24 retary of the Treasury shall conduct an evalua-
25 tion of and submit to the appropriate congress-

1 sional committees a report on the program
2 under this subsection, which shall—

3 “(i) evaluate the effectiveness of the
4 program, including an evaluation of the de-
5 mand for loans under the program; and

6 “(ii) include recommendations relating
7 to the program, including whether—

8 “(I) the program should be ex-
9 panded to such that all community de-
10 velopment financial institutions may
11 make loans under the program to the
12 borrowers described in paragraph (5);
13 and

14 “(II) the set aside amount para-
15 graph (3) should be modified in order
16 to match demand under the program.

17 “(8) GRANTS FOR OPERATIONAL SUPPORT.—

18 “(A) IN GENERAL.—The Secretary shall
19 make grants to Native community development
20 financial institutions that receive a loan under
21 this section to provide operational support and
22 other related services to those institutions, sub-
23 ject to—

24 “(i) to the satisfactory performance,
25 as determined by the Secretary, of a Na-

1 tive community development financial insti-
2 tution in carrying out this section; and

3 “(ii) the availability of funding.

4 “(B) AMOUNT.—A Native community de-
5 velopment financial institution that receives a
6 loan under this section shall be eligible to re-
7 ceive a grant described in subparagraph (A) in
8 an amount equal to 20 percent of the direct
9 loan amount received by the Native community
10 development financial institution under the pro-
11 gram under this section as of the date on which
12 the direct loan is awarded.

13 “(9) OUTREACH AND TECHNICAL ASSIST-
14 ANCE.—There is authorized to be appropriated to
15 the Secretary \$1,000,000 for each of fiscal years
16 2024, 2025, and 2026—

17 “(A) to provide technical assistance to Na-
18 tive community development financial institu-
19 tions—

20 “(i) relating to homeownership and
21 other housing-related assistance provided
22 by the Secretary; and

23 “(ii) to assist those institutions to
24 perform outreach to eligible homebuyers

1 relating to the loan program under this
2 section; or

3 “(B) to provide funding to a national orga-
4 nization representing Native American housing
5 interests to perform outreach and provide tech-
6 nical assistance as described in clauses (i) and
7 (ii), respectively, of subparagraph (A).

8 “(10) ADMINISTRATIVE COSTS.—In addition to
9 other available funds, the Secretary may use not
10 more than 3 percent of the amounts made available
11 to carry out this subsection for administration of the
12 programs established under this subsection.”.

13 **TITLE IV—SECTION 504 LOANS**
14 **AND GRANTS**

15 **SEC. 401. MODIFICATIONS TO LOANS AND GRANTS FOR**
16 **MINOR IMPROVEMENTS TO FARM HOUSING**
17 **AND BUILDINGS.**

18 Section 504(a) of the Housing Act of 1949 (42
19 U.S.C. 1474) is amended by striking “\$7,500” and insert-
20 ing “\$15,000”.

1 **TITLE V—RURAL COMMUNITY**
 2 **DEVELOPMENT INITIATIVE**
 3 **GRANTS**

4 **SEC. 501. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

5 Subtitle E of the Consolidated Farm and Rural De-
 6 velopment Act (7 U.S.C. 2009 et seq.) is amended by add-
 7 ing at the end the following:

8 **“SEC. 3810. RURAL COMMUNITY DEVELOPMENT INITIA-**
 9 **TIVE.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
 12 tity’ means—

13 “(A) a private, nonprofit community-based
 14 housing or community development organiza-
 15 tion;

16 “(B) a rural community; or

17 “(C) a federally recognized Indian Tribe.

18 “(2) ELIGIBLE INTERMEDIARY.—The term ‘eli-
 19 gible intermediary’ means a qualified—

20 “(A) private, nonprofit organization; or

21 “(B) public organization.

22 “(b) ESTABLISHMENT.—The Secretary shall estab-
 23 lish a Rural Community Development Initiative, under
 24 which the Secretary shall provide grants to eligible inter-
 25 mediaries to carry out programs to provide financial and

1 technical assistance to eligible entities to develop the ca-
 2 pacity and ability of eligible entities to carry out projects
 3 to improve housing, community facilities, and community
 4 and economic development projects in rural areas.

5 “(c) AMOUNT OF GRANTS.—The amount of a grant
 6 provided to an eligible intermediary under this section
 7 shall be not more than \$250,000.

8 “(d) MATCHING FUNDS.—

9 “(1) IN GENERAL.—An eligible intermediary re-
 10 ceiving a grant under this section shall provide
 11 matching funds from other sources, including Fed-
 12 eral funds for related activities, in an amount not
 13 less than the amount of the grant.

14 “(2) WAIVER.—The Secretary may waive para-
 15 graph (1) with respect to a project that would be
 16 carried out in a persistently poor rural region, as de-
 17 termined by the Secretary.”.

18 **TITLE VI—REPORTS**

19 **SEC. 601. ANNUAL REPORT ON RURAL HOUSING PRO-** 20 **GRAMS.**

21 Title V of the Housing Act of 1949 (42 U.S.C. 1471
 22 et seq.), as amended by this Act, is amended by adding
 23 at the end the following:

1 **“SEC. 546. ANNUAL REPORT.**

2 “(a) IN GENERAL.—The Secretary shall submit to
3 the appropriate committees of Congress and publish on
4 the website of the Department of Agriculture an annual
5 report on rural housing programs carried out under this
6 title, which shall include significant details on the health
7 of Rural Housing Service programs, including—

8 “(1) raw data sortable by programs and by re-
9 gion regarding loan performance;

10 “(2) the housing stock of those programs, in-
11 cluding information on why properties end participa-
12 tion in those programs, such as for maturation, pre-
13 payment, foreclosure, or other servicing issues; and

14 “(3) risk ratings for properties assisted under
15 those programs.

16 “(b) PROTECTION OF INFORMATION.—The data in-
17 cluded in each report required under subsection (a) may
18 be aggregated or anonymized to protect participant finan-
19 cial or personal information.”.

20 **SEC. 602. GAO REPORT ON RURAL HOUSING SERVICE**
21 **TECHNOLOGY.**

22 Not later than 1 year after the date of enactment
23 of this Act, the Comptroller General of the United States
24 shall submit to Congress a report that includes—

1 (1) an analysis of how the outdated technology
2 used by the Rural Housing Service impacts partici-
3 pants in the programs of the Rural Housing Service;

4 (2) an estimate of the amount of funding that
5 is needed to modernize the technology used by the
6 Rural Housing Service; and

7 (3) an estimate of the number and type of new
8 employees the Rural Housing Service needs to mod-
9 ernize the technology used by the Rural Housing
10 Service.

11 **TITLE VII—RURAL HOUSING**
12 **VOUCHER PROGRAM**

13 **SEC. 701. ADJUSTMENT TO RURAL DEVELOPMENT VOUCH-**
14 **ER AMOUNT.**

15 (a) IN GENERAL.—Not later than 2 years after the
16 date of enactment of this Act, the Secretary of Agriculture
17 shall issue regulations to establish a process for adjusting
18 the voucher amount provided under section 542 of the
19 Housing Act of 1949 (42 U.S.C. 1490r) after the issuance
20 of the voucher following an interim or annual review of
21 the amount of the voucher.

22 (b) INTERIM REVIEW.—The interim review described
23 in subsection (a) shall, at the request of a tenant, allow
24 for a recalculation of the voucher amount when the tenant

1 experiences a reduction in income, change in family com-
2 position, or change in rental rate.

3 (c) ANNUAL REVIEW.—

4 (1) IN GENERAL.—The annual review described
5 in subsection (a) shall require tenants to annually
6 recertify the family composition of the household
7 and that the family income of the household does
8 not exceed 80 percent of the area median income at
9 a time determined by the Secretary.

10 (2) CONSIDERATIONS.—If a tenant does not re-
11 certify the family composition and family income of
12 the household within the time frame required under
13 paragraph (1), the Secretary of Agriculture—

14 (A) shall consider whether extenuating cir-
15 cumstances caused the delay in recertification;
16 and

17 (B) may alter associated consequences for
18 the failure to recertify based on those cir-
19 cumstances.

20 (3) EFFECTIVE DATE.—Following the annual
21 review of a voucher under subsection (a), the up-
22 dated voucher amount shall be effective on the 1st
23 day of the month following the expiration of the
24 voucher.

1 (d) DEADLINE.—The process established under sub-
 2 section (a) shall require the Secretary of Agriculture to
 3 review and update the voucher amount described in sub-
 4 section (a) for a tenant not later than 60 days before the
 5 end of the voucher term.

6 **TITLE VIII—TRANSFERS TO**
 7 **NONPROFIT ORGANIZATIONS**

8 **SEC. 801. TRANSFER OF MULTIFAMILY RURAL HOUSING**
 9 **PROJECTS.**

10 Section 515 of the Housing Act of 1949 (42 U.S.C.
 11 1485) is amended—

12 (1) in subsection (h), by adding at the end the
 13 following:

14 “(3) TRANSFER TO NONPROFIT ORGANIZA-
 15 TIONS.—A nonprofit or public body purchaser, in-
 16 cluding a limited partnership with a general partner
 17 that is a nonprofit or is controlled by a nonprofit,
 18 may purchase a property for which a loan is made
 19 or insured under this section that has received a
 20 market value appraisal, without addressing rehabili-
 21 tation needs at the time of purchase, if the pur-
 22 chaser—

23 “(A) makes a commitment to address re-
 24 habilitation needs during ownership and long-
 25 term use restrictions on the property; and

1 “(B) at the time of purchase, accepts long-
 2 term use restrictions on the property.”; and
 3 (2) in subsection (w)(1), in the first sentence in
 4 the matter preceding subparagraph (A), by striking
 5 “9 percent” and inserting “50 percent”.

6 **TITLE IX—TERM OF DIRECT**
 7 **LOANS MADE BY THE RURAL**
 8 **HOUSING SERVICE**

9 **SEC. 901. EXTENSION OF LOAN TERM.**

10 (a) IN GENERAL.—Section 502(a)(2) of the Housing
 11 Act of 1949 (42 U.S.C. 1472(a)(2)) is amended—

12 (1) by inserting “(A)” before “The Secretary”;

13 (2) in subparagraph (A), as so designated, by
 14 striking “paragraph” and inserting “subparagraph”;
 15 and

16 (3) by adding at the end the following:

17 “(B) The Secretary may extend the period of
 18 any loan made under this section in accordance with
 19 terms and conditions as the Secretary shall pre-
 20 scribe, but in no event shall the total term of the
 21 loan exceed 40 years.”.

22 (b) APPLICATION.—The amendment made under
 23 subsection (a) shall apply with respect to loans made
 24 under section 502 of the Housing Act of 1949 (42 U.S.C.

1 1472) before, on, or after the date of enactment of this
2 Act.

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