

119TH CONGRESS
1ST SESSION

S. _____

To reform rural housing programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. SMITH introduced the following bill; which was read twice and referred
to the Committee on _____

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 2025”.

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-in-
come families.

Sec. 103. Authorization of appropriations for staffing and IT upgrades.

2

Sec. 104. Funding for technical improvements.

TITLE II—RURAL HOUSING PRESERVATION AND REVITALIZATION

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

Sec. 202. Rental assistance contract authority.

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; income eligibility.

TITLE V—REPORTS

Sec. 501. Annual report on rural housing programs.

Sec. 502. GAO report on Rural Housing Service technology.

TITLE VI—RURAL HOUSING VOUCHER PROGRAM

Sec. 601. Adjustment to rural development voucher amount.

Sec. 602. Eligibility for rural housing vouchers.

Sec. 603. Amount of voucher assistance.

TITLE VII—TRANSFERS TO NONPROFIT ORGANIZATIONS

Sec. 701. Transfer of multifamily rural housing projects.

TITLE VIII—DIRECT LOANS MADE BY THE RURAL HOUSING SERVICE

Sec. 801. Extension of loan term.

Sec. 802. Release of liability for section 502 guaranteed borrower upon assumption of original loan by new borrower.

Sec. 803. Department of Agriculture loan restrictions.

TITLE IX—ACCESSORY DWELLING UNITS

Sec. 901. Loan guarantees.

TITLE X—TIME FRAME FOR COMPLETING APPLICATION REVIEW

Sec. 1001. Application review.

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(2) of the Multifamily Mortgage Foreclosure Act
11 of 1981 (12 U.S.C. 3702(2)) is amended—

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

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

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

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

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

23 “(3) Notwithstanding any other provision of law in
24 managing and disposing of any multifamily property that
25 is owned or has a mortgage held by the Secretary, and

1 during the process of foreclosure on any property with a
2 contract for rental assistance under this section—

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

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

9 **SEC. 102. STUDY ON RURAL HOUSING LOANS FOR HOUSING**
10 **FOR LOW- AND MODERATE-INCOME FAMI-**
11 **LIES.**

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

17 (1) the total amount provided by the Secretary
18 in subsidies under such section 521 to borrowers
19 with loans made pursuant to section 502 of such Act
20 (42 U.S.C. 1472);

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

23 (3) the amount of time and costs associated
24 with recapturing those subsidies.

1 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS FOR**
2 **STAFFING AND IT UPGRADES.**

3 There is authorized to be appropriated to the Sec-
4 retary of Agriculture for each of fiscal years 2026 through
5 2030 such sums as may be necessary for increased staff-
6 ing needs and information technology upgrades to support
7 all Rural Housing Service programs.

8 **SEC. 104. FUNDING FOR TECHNICAL IMPROVEMENTS.**

9 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There is
10 authorized to be appropriated to the Secretary of Agri-
11 culture such sums as may be necessary for fiscal year
12 2026 for improvements to the technology of the Rural
13 Housing Service of the Department of Agriculture used
14 to process and manage housing loans.

15 (b) **AVAILABILITY.**—Amounts appropriated pursuant
16 to subsection (a) shall remain available until the date that
17 is 5 years after the date of the appropriation.

18 (c) **TIMELINE.**—The Secretary of Agriculture shall
19 make the improvements described in subsection (a) during
20 the 5-year period beginning on the date on which amounts
21 are appropriated under subsection (a).

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 term that is the shorter of 20 years and the
24 term of the restructured loan, subject to annual ap-
25 propriations, provided that the owner agrees to bring

1 the property up to such standards that will ensure
2 maintenance of the property as decent, safe, and
3 sanitary housing for the full term of the rental as-
4 sistance contract.

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

14 “(e) RESTRICTIVE USE AGREEMENTS.—

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

20 “(2) TERM.—

21 “(A) NO EXTENSION OF RENTAL ASSIST-
22 ANCE CONTRACT.—Except when the Secretary
23 enters into a 20-year extension of the rental as-
24 sistance contract for a project, the term of the
25 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 loan ma-
22 turing during the 4-year period beginning upon the
23 provision of the notice required under subsection
24 (b)(1) for a project cannot reasonably be restruc-
25 tured in accordance with subsection (c) because it is

1 not financially feasible or the owner does not agree
2 with the proposed restructuring, and the project was
3 operating with rental assistance under section 521
4 and the recipient is a borrower under section 514 or
5 515, the Secretary may renew the rental assistance
6 contract, notwithstanding any requirement under
7 section 521 that the recipient be a current borrower
8 under section 514 or 515, for a term of 20 years,
9 subject to annual appropriations.

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

19 “(3) RENTS.—

20 “(A) IN GENERAL.—Any agreement to ex-
21 tend the term of the rental assistance contract
22 under section 521 for a project shall obligate
23 the owner to continue to maintain the project
24 as decent, safe, and sanitary housing and to op-

1 erate the development as affordable housing in
2 a manner that meets the goals of this title.

3 “(B) RENT AMOUNTS.—Subject to sub-
4 paragraph (C), in setting rents, the Secretary—

5 “(i) shall determine the maximum ini-
6 tial rent based on current fair market
7 rents established under section 8 of the
8 United States Housing Act of 1937 (42
9 U.S.C. 1437f); and

10 “(ii) may annually adjust the rent de-
11 termined under clause (i) by the operating
12 cost adjustment factor as provided under
13 section 524 of the Multifamily Assisted
14 Housing Reform and Affordability Act of
15 1997 (42 U.S.C. 1437f note).

16 “(C) HIGHER RENT.—

17 “(i) IN GENERAL.—Subparagraph (B)
18 shall not apply if the Secretary determines
19 that the budget-based needs of a project
20 require a higher rent than the rent de-
21 scribed in subparagraph (B).

22 “(ii) RENT.—If the Secretary makes a
23 positive determination under clause (i), the
24 Secretary may approve a budget-based rent
25 level for the project.

1 “(4) CONDITIONS FOR APPROVAL.—

2 “(A) PLAN.—Before the approval of a
3 rental assistance contract authorized under this
4 section, the Secretary shall require, through an
5 annual notice in the Federal Register, the
6 owner to submit to the Secretary a plan that
7 identifies financing sources and a timetable for
8 renovations and improvements determined to be
9 necessary by the Secretary to maintain and pre-
10 serve the project.

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

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

1 “(h) ADMINISTRATIVE EXPENSES.—Of any amounts
2 made available for the program under this section for any
3 fiscal year, the Secretary may use not more than
4 \$1,000,000 for administrative expenses for carrying out
5 such program.

6 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
7 authorized to be appropriated for the program under this
8 section \$200,000,000 for each of fiscal years 2026
9 through 2030.

10 “(j) RULEMAKING.—

11 “(1) IN GENERAL.—Not later than 180 days
12 after the date of enactment of the Rural Housing
13 Service Reform Act of 2025, the Secretary shall—

14 “(A) publish an advance notice of proposed
15 rulemaking; and

16 “(B) consult with appropriate stake-
17 holders.

18 “(2) INTERIM FINAL RULE.—Not later than 1
19 year after the date of enactment of the Rural Hous-
20 ing Service Reform Act of 2025, the Secretary shall
21 publish an interim final rule to carry out this sec-
22 tion.”.

1 **SEC. 202. RENTAL ASSISTANCE CONTRACT AUTHORITY.**

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

5 (1) in paragraph (1)—

6 (A) by redesignating subparagraphs (B)
7 and (C) as subparagraphs (C) and (D), respec-
8 tively;

9 (B) by inserting after subparagraph (A)
10 the following:

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

17 (C) in subparagraph (C), as so redesign-
18 nated, by striking “subparagraph (A)” and in-
19 serting “subparagraphs (A) and (B)”;

20 (D) in subparagraph (D), as so redesign-
21 nated, by striking “subparagraphs (A) and
22 (B)” and inserting “subparagraphs (A), (B),
23 and (C)”;

24 (2) in paragraph (2), by striking “shall” and
25 inserting “may”; and

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

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

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

11 “(i) is residing in the same rental project
12 in which the assisted family resided before the
13 termination; or

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

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

21 **TITLE III—NATIVE CDFI**
22 **RELENDING**

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

24 Section 502 of the Housing Act of 1949 (42 U.S.C.
25 1472) is amended by adding at the end the following:

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

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

4 “(A) the term ‘Alaska Native’ has the
5 meaning given the term ‘Native’ in section 3(b)
6 of the Alaska Native Claims Settlement Act (43
7 U.S.C. 1602(b));

8 “(B) the term ‘appropriate congressional
9 committees’ means—

10 “(i) the Committee on Agriculture of
11 the Senate;

12 “(ii) the Committee on Indian Affairs
13 of the Senate;

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

16 “(iv) the Committee on Agriculture of
17 the House of Representatives;

18 “(v) the Committee on Natural Re-
19 sources of the House of Representatives;
20 and

21 “(vi) the Committee on Financial
22 Services of the House of Representatives;

23 “(C) the term ‘community development fi-
24 nancial institution’ has the meaning given the
25 term in section 103 of the Community Develop-

1 ment Banking and Financial Institutions Act of
2 1994 (12 U.S.C. 4702);

3 “(D) the term ‘Indian Tribe’ has the
4 meaning given the term ‘Indian tribe’ in section
5 4 of the Native American Housing Assistance
6 and Self-Determination Act of 1996 (25 U.S.C.
7 4103);

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

10 “(i) that has been certified as a com-
11 munity development financial institution by
12 the Secretary of the Treasury;

13 “(ii) that is not less than 51 percent
14 owned or controlled by members of Indian
15 Tribes, Alaska Native communities, or Na-
16 tive Hawaiian communities; and

17 “(iii) for which not less than 51 per-
18 cent of the activities of the entity serve In-
19 dian Tribes, Alaska Native communities,
20 or Native Hawaiian communities;

21 “(F) the term ‘Native Hawaiian’ has the
22 meaning given the term in section 801 of the
23 Native American Housing Assistance and Self-
24 Determination Act of 1996 (25 U.S.C. 4221);
25 and

1 “(G) the term ‘priority Tribal land’
2 means—

3 “(i) any land located within the
4 boundaries of—

5 “(I) an Indian reservation, pueb-
6 lo, or rancharia; or

7 “(II) a former reservation within
8 Oklahoma;

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

12 “(I) in trust by the United States
13 for the benefit of an Indian Tribe or
14 an individual Indian;

15 “(II) by an Indian Tribe or an
16 individual Indian, subject to restric-
17 tion against alienation under laws of
18 the United States; or

19 “(III) by a dependent Indian
20 community;

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

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

5 “(v) those areas or communities des-
6 ignated by the Assistant Secretary of In-
7 dian Affairs of the Department of the Inte-
8 rior that are near, adjacent, or contiguous
9 to reservations where financial assistance
10 and social service programs are provided to
11 Indians because of their status as Indians.

12 “(2) PURPOSE.—The purpose of this subsection
13 is to—

14 “(A) increase homeownership opportunities
15 for Indian Tribes, Alaska Native Communities,
16 and Native Hawaiian communities in rural
17 areas; and

18 “(B) provide capital to Native community
19 development financial institutions to increase
20 the number of mortgage transactions carried
21 out by those institutions.

22 “(3) SET ASIDE FOR NATIVE CDFIS.—Of
23 amounts appropriated to make direct loans under
24 this section for each fiscal year, the Secretary may
25 use not more than \$50,000,000 to make direct loans

1 to Native community development financial institu-
2 tions in accordance with this subsection.

3 “(4) APPLICATION REQUIREMENTS.—A Native
4 community development financial institution desiring
5 a loan under this subsection shall demonstrate that
6 the institution—

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

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

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

14 “(A) use those amounts to make loans to
15 borrowers—

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

18 “(ii) who—

19 “(I) are members of an Indian
20 Tribe, an Alaska Native community,
21 or a Native Hawaiian community; or

22 “(II) maintain a household in
23 which not less 1 member is a member
24 of an Indian Tribe, an Alaska Native

1 community, or a Native Hawaiian
2 community; and

3 “(B) in making loans under subparagraph
4 (A), give priority to borrowers described in that
5 subparagraph who are residing on priority Trib-
6 al land.

7 “(6) NON-FEDERAL COST SHARE.—

8 “(A) IN GENERAL.—A Native community
9 development financial institution that receives a
10 loan under this section shall be required to
11 match not less than 20 percent of the amount
12 received.

13 “(B) WAIVER.—In the case of a loan for
14 which amounts are used to make loans to bor-
15 rowers described in paragraph (5)(B), the Sec-
16 retary shall waive the non-Federal cost share
17 requirement described in subparagraph (A) with
18 respect to those loan amounts.

19 “(7) REPORTING.—

20 “(A) ANNUAL REPORT BY NATIVE
21 CDFIS.—Each Native community development
22 financial institution that receives a loan pursu-
23 ant to this subsection shall submit an annual
24 report to the Secretary on the lending activities

1 of the institution using the loan amounts, which
2 shall include—

3 “(i) a description of the outreach ef-
4 forts of the institution in local communities
5 to identify eligible borrowers;

6 “(ii) a description of how the institu-
7 tion leveraged additional capital to reach
8 prospective borrowers;

9 “(iii) the number of loan applications
10 received, approved, and deployed;

11 “(iv) the average loan amount;

12 “(v) the number of finalized loans
13 that were made on Tribal trust lands and
14 not on Tribal trust lands; and

15 “(vi) the number of finalized loans
16 that were made on priority Tribal land and
17 not priority Tribal land.

18 “(B) ANNUAL REPORT TO CONGRESS.—
19 Not later than 1 year after the date of enact-
20 ment of this subsection, and every year there-
21 after, the Secretary shall submit to the appro-
22 priate congressional communities a report that
23 includes—

24 “(i) a list of loans made to Native
25 community development financial institu-

1 tions pursuant to this subsection, including
2 the name of the institution and the loan
3 amount;

4 “(ii) the percentage of loans made
5 under this section to members of Indian
6 Tribes, Alaska Native communities, and
7 Native Hawaiian communities, respectively,
8 including a breakdown of loans made to
9 households residing on and not on Tribal
10 trust lands; and

11 “(iii) the average loan amount made
12 by Native community development finan-
13 cial institutions pursuant to this sub-
14 section.

15 “(C) EVALUATION OF PROGRAM.—Not
16 later than 3 years after the date of enactment
17 of this subsection, the Secretary and the Sec-
18 retary of the Treasury shall conduct an evalua-
19 tion of and submit to the appropriate congres-
20 sional committees a report on the program
21 under this subsection, which shall—

22 “(i) evaluate the effectiveness of the
23 program, including an evaluation of the de-
24 mand for loans under the program; and

1 “(ii) include recommendations relating
2 to the program, including whether—

3 “(I) the program should be ex-
4 panded to such that all community de-
5 velopment financial institutions may
6 make loans under the program to the
7 borrowers described in paragraph (5);
8 and

9 “(II) the set aside amount para-
10 graph (3) should be modified in order
11 to match demand under the program.

12 “(8) GRANTS FOR OPERATIONAL SUPPORT.—

13 “(A) IN GENERAL.—The Secretary shall
14 make grants to Native community development
15 financial institutions that receive a loan under
16 this section to provide operational support and
17 other related services to those institutions, sub-
18 ject to—

19 “(i) to the satisfactory performance,
20 as determined by the Secretary, of a Na-
21 tive community development financial insti-
22 tution in carrying out this section; and

23 “(ii) the availability of funding.

24 “(B) AMOUNT.—A Native community de-
25 velopment financial institution that receives a

1 loan under this section shall be eligible to re-
2 ceive a grant described in subparagraph (A) in
3 an amount equal to 20 percent of the direct
4 loan amount received by the Native community
5 development financial institution under the pro-
6 gram under this section as of the date on which
7 the direct loan is awarded.

8 “(9) OUTREACH AND TECHNICAL ASSIST-
9 ANCE.—There is authorized to be appropriated to
10 the Secretary \$1,000,000 for each of fiscal years
11 2025, 2026, and 2027—

12 “(A) to provide technical assistance to Na-
13 tive community development financial institu-
14 tions—

15 “(i) relating to homeownership and
16 other housing-related assistance provided
17 by the Secretary; and

18 “(ii) to assist those institutions to
19 perform outreach to eligible homebuyers
20 relating to the loan program under this
21 section; or

22 “(B) to provide funding to a national orga-
23 nization representing Native American housing
24 interests to perform outreach and provide tech-

1 nical assistance as described in clauses (i) and
2 (ii), respectively, of subparagraph (A).

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

8 **TITLE IV—SECTION 504 LOANS**
9 **AND GRANTS**

10 **SEC. 401. MODIFICATIONS TO LOANS AND GRANTS FOR**
11 **MINOR IMPROVEMENTS TO FARM HOUSING**
12 **AND BUILDINGS; INCOME ELIGIBILITY.**

13 Section 504(a) of the Housing Act of 1949 (42
14 U.S.C. 1474(a)) is amended—

15 (1) in the first sentence, by inserting “and may
16 make a loan to an eligible low-income applicant”
17 after “applicant”;

18 (2) by inserting “Not less than 60 percent of
19 loan funds made available under this section shall be
20 reserved and made available for very low-income ap-
21 plicants.” after the first sentence; and

22 (3) by striking “\$7,500” and inserting
23 “\$15,000”.

TITLE V—REPORTS

SEC. 501. ANNUAL REPORT ON RURAL HOUSING PROGRAMS.

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

“SEC. 546. ANNUAL REPORT.

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

“(1) raw data sortable by programs and by region regarding loan performance;

“(2) the housing stock of those programs, including information on why properties end participation in those programs, such as for maturation, prepayment, foreclosure, or other servicing issues; and

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

“(b) PROTECTION OF INFORMATION.—The data included in each report required under subsection (a) may be aggregated or anonymized to protect participant financial or personal information.”.

1 **SEC. 502. GAO REPORT ON RURAL HOUSING SERVICE**
2 **TECHNOLOGY.**

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

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

9 (2) an estimate of the amount of funding that
10 is needed to modernize the technology used by the
11 Rural Housing Service; and

12 (3) an estimate of the number and type of new
13 employees the Rural Housing Service needs to mod-
14 ernize the technology used by the Rural Housing
15 Service.

16 **TITLE VI—RURAL HOUSING**
17 **VOUCHER PROGRAM**

18 **SEC. 601. ADJUSTMENT TO RURAL DEVELOPMENT VOUCH-**
19 **ER AMOUNT.**

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

1 (b) INTERIM REVIEW.—The interim review described
2 in subsection (a) shall, at the request of a tenant, allow
3 for a recalculation of the voucher amount when the tenant
4 experiences a reduction in income, change in family com-
5 position, or change in rental rate.

6 (c) ANNUAL REVIEW.—

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

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

17 (A) shall consider whether extenuating cir-
18 cumstances caused the delay in recertification;
19 and

20 (B) may alter associated consequences for
21 the failure to recertify based on those cir-
22 cumstances.

23 (3) EFFECTIVE DATE.—Following the annual
24 review of a voucher under subsection (a), the up-
25 dated voucher amount shall be effective on the 1st

1 day of the month following the expiration of the
2 voucher.

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

8 **SEC. 602. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.**

9 Section 542 of the Housing Act of 1949 (42 U.S.C.
10 1490r) is amended by adding at the end the following:

11 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
12 514, 515, AND 516 PROJECTS.—The Secretary may pro-
13 vide rural housing vouchers under this section for any low-
14 income household (including those not receiving rental as-
15 sistance) residing for a term longer than the remaining
16 term of their lease that is in effect on the date of prepay-
17 ment, foreclosure, or mortgage maturity, in a property fi-
18 nanced with a loan under section 514 or 515 or a grant
19 under section 516 that has—

20 “(1) been prepaid with or without restrictions
21 imposed by the Secretary pursuant to section
22 502(c)(5)(G)(ii)(I);

23 “(2) been foreclosed; or

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

1 **SEC. 603. AMOUNT OF VOUCHER ASSISTANCE.**

2 Notwithstanding any other provision of law, in the
3 case of any rural housing voucher provided pursuant to
4 section 542 of the Housing Act of 1949 (42 U.S.C.
5 1490r), the amount of the monthly assistance payment for
6 the household on whose behalf the assistance is provided
7 shall be determined as provided in subsection (a) of such
8 section 542, including providing for interim and annual
9 review of the voucher amount in the event of a change
10 in household composition or income or rental rate.

11 **TITLE VII—TRANSFERS TO**
12 **NONPROFIT ORGANIZATIONS**

13 **SEC. 701. TRANSFER OF MULTIFAMILY RURAL HOUSING**
14 **PROJECTS.**

15 Section 515 of the Housing Act of 1949 (42 U.S.C.
16 1485) is amended—

17 (1) in subsection (h), by adding at the end the
18 following:

19 “(3) TRANSFER TO NONPROFIT ORGANIZA-
20 TIONS.—A nonprofit or public body purchaser, in-
21 cluding a limited partnership with a general partner
22 with the principal purpose of providing affordable
23 housing, may purchase a property for which a loan
24 is made or insured under this section that has re-
25 ceived a market value appraisal, without addressing

1 rehabilitation needs at the time of purchase, if the
2 purchaser—

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

6 “(B) at the time of purchase, accepts long-
7 term use restrictions on the property.”; and

8 (2) in subsection (w)(1), in the first sentence in
9 the matter preceding subparagraph (A), by striking
10 “9 percent” and inserting “50 percent”.

11 **TITLE VIII—DIRECT LOANS**
12 **MADE BY THE RURAL HOUS-**
13 **ING SERVICE**

14 **SEC. 801. EXTENSION OF LOAN TERM.**

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

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

18 (2) in subparagraph (A), as so designated, by
19 striking “paragraph” and inserting “subparagraph”;
20 and

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

22 “(B) The Secretary may refinance or modify
23 the period of any loan, including any refinanced
24 loan, made under this section in accordance with
25 terms and conditions as the Secretary shall pre-

1 scribe, but in no event shall the total term of the
2 loan from the date of the refinance or modification
3 exceed 40 years.”.

4 (b) APPLICATION.—The amendment made under
5 subsection (a) shall apply with respect to loans made
6 under section 502 of the Housing Act of 1949 (42 U.S.C.
7 1472) before, on, or after the date of enactment of this
8 Act.

9 **SEC. 802. RELEASE OF LIABILITY FOR SECTION 502 GUAR-**
10 **ANTEED BORROWER UPON ASSUMPTION OF**
11 **ORIGINAL LOAN BY NEW BORROWER.**

12 Section 502(h)(10) of the Housing Act of 1949 (42
13 U.S.C. 1472(h)(10)) is amended to read as follows:

14 “(10) TRANSFER AND ASSUMPTION.—Upon the
15 transfer of property for which a guaranteed loan
16 under this subsection was made and the assumption
17 of the guaranteed loan by an approved eligible bor-
18 rower, the original borrower of a guaranteed loan
19 under this subsection shall be relieved of liability
20 with respect to the loan.”.

21 **SEC. 803. DEPARTMENT OF AGRICULTURE LOAN RESTRIC-**
22 **TIONS.**

23 (a) DEFINITIONS.—In this section, the terms “State”
24 and “Tribal organization” have the meanings given those

1 terms in section 658P of the Child Care and Development
2 Block Grant Act of 1990 (42 U.S.C. 9858n).

3 (b) REVISION.—The Secretary of Agriculture shall
4 revise section 3555.102(e) of title 7, Code of Federal Reg-
5 ulations, to exclude from the restriction under that sec-
6 tion—

7 (1) a home-based business that is a licensed,
8 registered, or regulated child care provider under
9 State law or by a Tribal organization; and

10 (2) an applicant that has applied to become a
11 licensed, registered or regulated child care provider
12 under State law or by a Tribal organization.

13 **TITLE IX—ACCESSORY** 14 **DWELLING UNITS**

15 **SEC. 901. LOAN GUARANTEES.**

16 Section 502(h)(4) of the Housing Act of 1949 (42
17 U.S.C. 1472(h)(4)) is amended—

18 (1) by redesignating subparagraphs (A), (B),
19 and (C) as clauses (i), (ii), and (iii), respectively;

20 (2) by striking “Loans may be guaranteed” and
21 inserting the following:

22 “(A) DEFINITION.—In this paragraph, the
23 term ‘accessory dwelling unit’ means a single,
24 habitable living unit—

1 “(i) with means of separate ingress
2 and egress;

3 “(ii) that is usually subordinate in
4 size;

5 “(iii) that can be added to, created
6 within, or detached from a primary 1-unit,
7 single-family dwelling; and

8 “(iv) in combination with a primary
9 1-unit, single family dwelling, constitutes a
10 single interest in real estate.

11 “(B) SINGLE FAMILY REQUIREMENT.—

12 Loans may be guaranteed”; and

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

14 “(C) RULE OF CONSTRUCTION.—Nothing
15 in this paragraph shall be construed to prohibit
16 the leasing of an accessory dwelling unit or the
17 use of rental income derived from such a lease
18 to qualify for a loan guaranteed under this sub-
19 section—

20 “(i) after the date of enactment of the
21 Rural Housing Service Reform Act of
22 2025; and

23 “(ii) if the property that is the subject
24 of the loan was constructed before the date

1 of enactment of the Rural Housing Service
2 Reform Act of 2025.”.

3 **TITLE X—TIME FRAME FOR COM-**
4 **PLETING APPLICATION RE-**
5 **VIEW**

6 **SEC. 1001. APPLICATION REVIEW.**

7 (a) SENSE OF CONGRESS.—It is the sense of Con-
8 gress, not later than 90 days after the date on which the
9 Secretary of Agriculture receives an application for a loan,
10 grant or combined loan and grant under section 502 or
11 504 of the Housing Act of 1949 (42 U.S.C. 1472, 1474),
12 the Secretary of Agriculture should—

- 13 (1) review the application;
14 (2) complete the underwriting;
15 (3) make a determination of eligibility with re-
16 spect to the application; and
17 (4) notify the applicant of determination.

18 (b) REPORT.—

19 (1) IN GENERAL.—Not later than 90 days after
20 the date of enactment of this Act, and annually
21 thereafter until the date described in paragraph (2),
22 the Secretary of Agriculture shall submit to the
23 Committee on Banking, Housing, and Urban Affairs
24 of the Senate and the Committee on Financial Serv-
25 ices of the House of Representatives a report—

1 (A) detailing the timeliness of eligibility de-
2 terminations and final determinations with re-
3 spect to applications under section 502 and 504
4 of the Housing Act of 1949 (42 U.S.C. 1472,
5 1474), including justifications for any eligibility
6 determinations taking longer than 90 days;

7 (B) that includes recommendations to
8 shorten the timeline for notifications of eligi-
9 bility determinations described in paragraph (1)
10 to not more than 90 days.

11 (2) DATE DESCRIBED.—The date described in
12 this paragraph is the date on which, during the pre-
13 ceding 5-year period, the Secretary of Agriculture
14 provides each eligibility determination described in
15 paragraph (1) during the 90-day period beginning
16 on the date on which each application is received.