

# NAR Issue Summary

## Housing / Rural Housing Programs

### **NAR Committee:**

Federal Financing and Housing Policy Committee

### **What is the fundamental issue?**

Rural families face unique difficulties in finding access to safe, affordable mortgage financing. Programs like the U.S. Department of Agriculture's (USDA) Rural Housing Section 502 loan program are instrumental in providing opportunities for homeownership for these families. Section 502 loans can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. These loans are funded by private lenders, and simply insured by the USDA Rural Housing Service (RHS).

### **I am a real estate professional. What does this mean for my business?**

Rural housing programs provide much needed affordable mortgage financing to unserved markets and are instrumental in providing affordable housing opportunities to low and moderate-income rural homebuyers.

### **NAR Policy:**

NAR supports federal programs for home loans, rental development and rental assistance, including those of the RHS. Rural families face unique difficulties in finding access to safe, affordable mortgage financing, and affordable rental options in short supply in rural America. Fully funding the RHS's programs is critical to the more than 17 million Americans living in rural communities. NAR believes communities with rural characteristics should maintain access to RHS programs.

### **Opposition Arguments:**

Critics believe that the private market is the best provider of mortgage finance and rental housing.

### **Legislative/Regulatory Status/Outlook**

Back in 2016, NAR successfully championed legislation to provide permanent authority for direct endorsement for approved lenders to approve Rural Housing Service loans. This Direct Endorsement approach is used by the FHA and VA mortgage programs, and will create great efficiencies for USDA and for homebuyers. NAR worked closely with Congress on this legislation, which passed the House and



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Senate unanimously. NAR continues to work with USDA to implement this program.

### **Current Legislation/Regulation (bill number or regulation)**

None

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