

119TH CONGRESS  
1ST SESSION

# H. R. 4957

To reform rural housing programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 12, 2025

Mr. NUNN of Iowa (for himself and Mr. CLEAVER) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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 multifamily 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 and IT upgrades.
- 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—SECTION 504 LOANS AND GRANTS

- Sec. 301. Modifications to loans and grants for minor improvements to farm housing and buildings; income eligibility.

TITLE IV—RURAL COMMUNITY DEVELOPMENT INITIATIVE GRANTS

- Sec. 401. Rural community development initiative.

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—SECTION 502 LOANS AND GUARANTEES

- 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.—Before the  
2 approval of a rental assistance contract authorized  
3 under this section, the Secretary shall require,  
4 through an annual notice in the Federal Register,  
5 the owner to submit to the Secretary a plan that  
6 identifies financing sources and a timetable for ren-  
7 ovations and improvements determined to be nec-  
8 essary by the Secretary to maintain and preserve the  
9 project.

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

19          “(h) ADMINISTRATIVE EXPENSES.—Of any amounts  
20 made available for the program under this section for any  
21 fiscal year, the Secretary may use not more than  
22 \$1,000,000 for administrative expenses for carrying out  
23 such program.

24          “(i) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated for the program under this

1 section such sums as may be necessary for each of fiscal  
2 years 2026 through 2030.

3 “(j) RULEMAKING.—

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

7 “(A) publish an advance notice of proposed  
8 rulemaking; and

9 “(B) consult with appropriate stake-  
10 holders.

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

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

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

20 (1) in paragraph (1)—

21 (A) by redesignating subparagraphs (B)  
22 and (C) as subparagraphs (C) and (D), respec-  
23 tively;

24 (B) by inserting after subparagraph (A)  
25 the following:

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

7           (C) in subparagraph (C), as so redesign-  
8 ated, by striking “subparagraph (A)” and in-  
9 serting “subparagraphs (A) and (B)”; and

10           (D) in subparagraph (D), as so redesign-  
11 ated, by striking “subparagraphs (A) and  
12 (B)” and inserting “subparagraphs (A), (B),  
13 and (C)”;

14           (2) in paragraph (2), by striking “shall” and  
15 inserting “may”; and

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

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

20           “(A) at the option of the owner of the rental  
21 project, the Secretary shall provide the owner a pe-  
22 riod of not more than 6 months before unused as-  
23 sistance is made available pursuant to subparagraph  
24 (B) during which the owner may use such assistance

1 authority to provide assistance on behalf of an eligi-  
2 ble unassisted family that—

3 “(i) is residing in the same rental project  
4 in which the assisted family resided before the  
5 termination; or

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

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

### 13 **TITLE III—SECTION 504 LOANS** 14 **AND GRANTS**

#### 15 **SEC. 301. MODIFICATIONS TO LOANS AND GRANTS FOR** 16 **MINOR IMPROVEMENTS TO FARM HOUSING** 17 **AND BUILDINGS; INCOME ELIGIBILITY.**

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

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

23 (2) by inserting “Not less than 60 percent of  
24 loan funds made available under this section shall be

1 reserved and made available for very low-income ap-  
 2 plicants.” after the first sentence; and

3 (3) by striking “\$7,500” and inserting  
 4 “\$15,000”.

5 **TITLE IV—RURAL COMMUNITY**  
 6 **DEVELOPMENT INITIATIVE**  
 7 **GRANTS**

8 **SEC. 401. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

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

12 **“SEC. 3810. RURAL COMMUNITY DEVELOPMENT INITIA-**  
 13 **TIVE.**

14 “(a) DEFINITIONS.—In this section:

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

17 “(A) a private, nonprofit community-based  
 18 housing or community development organiza-  
 19 tion;

20 “(B) a rural community; or

21 “(C) a federally recognized Indian Tribe.

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

24 “(A) private, nonprofit organization; or

25 “(B) public organization.

1       “(b) ESTABLISHMENT.—The Secretary shall estab-  
2 lish a Rural Community Development Initiative, under  
3 which the Secretary shall provide grants to eligible inter-  
4 mediaries to carry out programs to provide financial and  
5 technical assistance to eligible entities to develop the ca-  
6 pacity and ability of eligible entities to carry out projects  
7 to improve housing, community facilities, and community  
8 and economic development projects in rural areas.

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

12       “(d) MATCHING FUNDS.—

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

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

## **TITLE V—REPORTS**

### **2 SEC. 501. ANNUAL REPORT ON RURAL HOUSING PRO-** **3 GRAMS.**

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

#### **7 “SEC. 546. ANNUAL REPORT.**

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

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

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

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

22 “(b) PROTECTION OF INFORMATION.—The data in-  
23 cluded in each report required under subsection (a) may  
24 be aggregated or anonymized to protect participant finan-  
25 cial 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 “25 percent”.

## 11 **TITLE VIII—SECTION 502 LOANS** 12 **AND GUARANTEES**

### 13 **SEC. 801. EXTENSION OF LOAN TERM.**

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

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

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

19 and

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

21 “(B) The Secretary may refinance or modify  
22 the period of any loan, including any refinanced  
23 loan, made under this section in accordance with  
24 terms and conditions as the Secretary shall pre-  
25 scribe, but in no event shall the total term of the

1 loan from the date of the refinance or modification  
2 exceed 40 years.”.

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

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

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

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

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

22 (a) DEFINITIONS.—In this section, the terms “State”  
23 and “Tribal organization” have the meanings given those  
24 terms in section 658P of the Child Care and Development  
25 Block Grant Act of 1990 (42 U.S.C. 9858n).

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

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

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

## 11 **TITLE IX—ACCESSORY**

### 12 **DWELLING UNITS**

#### 13 **SEC. 901. LOAN GUARANTEES.**

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

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

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

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

23 “(i) with means of separate ingress  
 24 and egress;

1           “(ii) that is usually subordinate in  
2           size;

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

6           “(iv) in combination with a primary  
7           1-unit, single-family dwelling, constitutes a  
8           single interest in real estate.

9           “(B) SINGLE-FAMILY REQUIREMENT.—  
10          Loans may be guaranteed”; and

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

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

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

21           “(ii) if the property that is the subject  
22          of the loan was constructed before the date  
23          of enactment of the Rural Housing Service  
24          Reform Act of 2025.”.

1 **TITLE X—TIME FRAME FOR COM-**  
2 **PLETING APPLICATION RE-**  
3 **VIEW**

4 **SEC. 1001. APPLICATION REVIEW.**

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

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

16 (b) REPORT.—

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

- 24 (A) detailing the timeliness of eligibility de-  
25 terminations and final determinations with re-

1 spect to applications under section 502 and 504  
2 of the Housing Act of 1949 (42 U.S.C. 1472,  
3 1474), including justifications for any eligibility  
4 determinations taking longer than 90 days;

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

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

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