

Department of Agriculture (USDA)

Presidential Transition Regulatory Recommendations



Department	Regulatory or Subregulatory	Action	Recommendation
Rural Housing Service	Regulatory	Finalize and Publish RD Voucher Regulations	Issue a final rule on the use of RD Vouchers. Modeled after the Department of Housing and Urban Affairs's (HUD) Housing Choice Voucher (HCV) program, the RD Voucher program lacks essential features that are necessary for the lowest-income renters to effectively use their vouchers. Notably, RD voucher amounts do not change to reflect rising rents, increased utility costs, or reductions in household income. To better replicate the HCV program, USDA should issue a final rule that sets rent levels based on local market conditions, utility costs, household size, and income; and adopts a program-specific HAP contract and lease addendum. A final rule would provide consistency in program implementation, which has been varying to date.
Rural Housing Service	Regulatory	Improve Protections for Single Family Direct Loan Borrowers	Bring Rural Development (RD) regulations into compliance with the federal statute. Federal law requires that single family direct loan borrowers with financial hardships caused by reasons outside of their control be given a moratorium on mortgage payments when they are unable to continue making mortgage payments without unduly impairing their standard of living. Contrary to this law, the USDA RD regulations have several arbitrary rules of thumb about who can qualify for a moratorium. These rules deny benefits to borrowers that meet the statutory standard and often lead to absurd results. This includes denying a moratorium when the loss of income is by a household member that is not on the loan documents and denying a moratorium if the loss of income was less than 20 percent of household income or because it occurred more than 12 months before an application for a moratorium is filed. USDA should reform the regulations (7 CFR 3550.207) to comply with federal law (42 USC 1475).
Rural Housing Service	Regulatory	Stop Pursuing Debts from Foreclosed Single Family Borrowers	Stop Enforcement of the Federal Debt Collection Procedure. Federal law allows agencies to administratively pursue individuals who owe money to the federal government by off-setting federal benefits or tax refunds and garnishing up to 25% of their wages. RD is the only federal housing agency that goes after outstanding debts from low- or moderate-income single family borrowers whose home has been foreclosed on or was voluntarily signed over by the agency. These borrowers have already lost homes due to poverty or dire financial circumstances and have no means for paying these debts. The pursuit of debt by RD only furthers poverty, and yields little return for the federal government.

Rural Housing Service	Regulatory	<p>Fully Implement the Violence Against Women Act 2022 (VAWA) Housing Protections Across USDA Rental Housing Programs</p>	<p>Adopt regulations implementing the VAWA that provides protections for survivors of gender-based violence. RD should</p> <ol style="list-style-type: none"> 1) Propose and adopt regulations implementing VAWA 2022 that address each of RD’s covered housing programs, permit rental assistance to transfer with survivors when they need to move due to violence, and make clear that survivors in properties with multiple covered housing programs can take advantage of all of the VAWA protections within each program. 2) Update the RD VAWA Lease Addendum to include protection from retaliation, right to report crime or request emergency assistance, and right to request lease bifurcation. 3) Issue notice that decoupled Section 521 RA is subject to VAWA.
Rural Housing Service	Subregulatory	<p>Prioritize Tenants’ Rights in Prepayment of Developments</p>	<p>Advise residents of their rights and of owners’ obligations when they are living in developments that are about to be prepaid. The Emergency Low-Income Housing Preservation Act (ELIHPA) protects residents of RD rental housing by imposing use restrictions that require owners to operate prepaid properties as if they remained in the Section 515 program for as long as the residents choose to remain in their home. However, RD staff is not properly advising residents of their rights, nor is it advising owners of their obligations after a prepayment. RD should advise residents and owners of their post-prepayment rights and obligations in clear and unambiguous notices that strictly follow ELIHPA.</p> <p>Revise the regulations to provide tenants the right to appeal RD’s prepayment decisions. Advise residents of their right to appeal RD’s decision approving a prepayment request and to participate in an owner’s appeal of RD’s decision denying the right to prepay. Residents have the statutory right to appeal adverse RD decisions. Current regulations do not provide residents the right to appeal USDA’s Rural Housing Service decisions to approve an owner’s request to prepay a loan. They are only authorized to participate in an appeal hearing if the owner is appealing the denial of a prepayment request.</p>

Rural Housing Service	Regulatory	Strengthen Immigrant Access to Assisted Housing	<p>Issue a final rule on mixed-status families. RD has never promulgated regulations on how mixed-status families can access RD’s housing programs subject to Section 214 of the Housing and Community Development Act. The absence of a rule has led to confusion and prevented some mixed-status families from benefiting from Congress’ intent to permit mixed-status families to reside in certain federal housing programs.</p>
			<p>Formally rescind the citizenship or so-called “qualified alien” eligibility regulations. For nearly 20 years, RD had in place rules regarding tenant eligibility for its Section 515 and 538 programs. These rules never went into effect because they are contrary to federal law and discriminate against immigrant and mixed-status families. The continued presence of these regulations is confusing to applicants and owners.</p>
Rural Housing Service	Regulatory	Ensure Consistency Between ELIHPA and USDA Policies	<p>Align the ELIHPA rule to comply with USDA’s civil rights obligations. Under ELIHPA, RD should determine if so-called “minority-housing opportunities,” or housing for communities of Black, Indigenous, and people of color, are materially affected by owners seeking to prepay their loans. However, RD adopted a heightened standard that has allowed owners to avoid selling the property to a nonprofit or public agency that would preserve the housing as affordable. RD should revise its rules to comply with civil rights laws.</p>
Rural Housing Service	Subregulatory	Adopt an RD Voucher HAP Contract and Lease Addendum	<p>Develop an RD Voucher HAP contract and lease addendum that can be used by tenants remaining in prepaid properties that are subject to use restrictions. RD has been using interlineated HUD Section 8 Housing Choice Voucher program forms that make no reference to the recorded use restrictions and the owners’ obligations to continue to operate the housing as if it remained in the Section 515 program. RD should draft its own forms that provide important protections for RD tenants.</p>