



STAKEHOLDER ANNOUNCEMENT

USDA Creates Incentives for Non-Profits to Preserve Affordable Rural Rental Housing

(October 24, 2016) – USDA Rural Housing Service Administrator Tony Hernandez today announced new incentives to encourage non-profit organizations to acquire and rehabilitate USDA multi-family housing properties. Eligible non-profit organizations can take advantage of these changes on March 1, 2017.

The following changes are available to eligible non-profits who acquire USDA-financed multi-family housing properties with mortgage payoff dates on or before December 31, 2030:

- Non-profit organizations may receive a return on funds they invest in rehabilitating USDA-financed properties they acquire. The return on their investment will be based on the methodology currently used by for-profit or limited-profit owners.
- Non-profit organizations will also be eligible to receive a return on investment (ROI) for grants from non-USDA sources, as well as a return on rehabilitation funds set aside for contingent costs. The ROI for these funding sources will also be based on the current method for calculating owner returns.
- A non-profit that receives State, local or other favorable financing to acquire an eligible property will be able to benefit from the increased appraised value resulting from those favorable financing sources.

These changes are designed to encourage non-profit organizations to partner with USDA to preserve and rehabilitate affordable rental housing in rural America.

The new incentives are posted [here](#).

#

USDA is an equal opportunity provider, employer and lender.