



Texas Low Income Housing
Information Service

USDA RURAL HOUSING SERVICE IN TEXAS: TURNING AWAY FROM THE POOR

12/2009

Executive Summary

In 2005, 31% of the loans made or guaranteed for single family home purchase by the USDA Rural Housing Service in Texas were made to borrowers with incomes at or below 50% of area median income. By 2009 that figure fell to 2%.

USDA runs two single family home purchase loan programs, the “502 Direct” program, in which USDA loans directly to borrowers, and the “502 Guarantee” program, in which USDA guarantees loan repayment to private lenders who lend to eligible borrowers. The marked change in incomes served by USDA Texas is caused by both a reduction in loan volume of 502 Direct loans among borrowers with Very Low Incomes (defined as <50% of area median income) and dramatic growth in 502 Guarantee loans, which are accessible by borrowers with incomes as high as 115% of the area median.

As a result of this shift Texas is losing federal funds available to assist homebuyers with Very Low Incomes. In 2008 and 2009 Texas was one of only a handful of states to return unused federal funding for the 502 Direct loan program. We estimate Texas returned as much as \$14.2 million of funding in 2009 and is on track to return additional funds allocated to the state through the American Recovery and Reinvestment Act of 2009. Texas ranks between Rhode Island and North Dakota in spending Recovery Act Direct funds.

Even while the benefits of the program accrue elsewhere, USDA estimates that Texas has the highest level of need (of any state) for the Direct Loan program.

We recommend the following changes to the Texas USDA Direct Loan program to maximize the benefit of the 502 Direct Loan program:

- Texas USDA Rural Development staff should better balance staff attention and resources between the Direct and Guarantee Loan Program.
- USDA Rural Development should promote the Direct program through marketing and direct community outreach, including marketing through Spanish-language media.
- Rural Development loans should be publicly disclosed in a manner at least equivalent to that which would meet the reporting requirements of the Home Mortgage Disclosure Act. Such transparency will facilitate public oversight of the program's lending.
- USDA Rural Development should adopt or expand programs that encourage and financially support nonprofit housing counselors to package Direct loans. Such a program could streamline the process for applicants, promote long-term counseling for credit preparation, and reduce staffing resources required by USDA.

- USDA Rural Development should enter into a cooperative program with the Texas Department of Housing and Community Affairs to coordinate the 502 Direct program with other funding available through the state.

Background

The United States Department of Agriculture (USDA) Rural Development administers the Rural Housing Service. The Rural Housing Service runs two programs for Single Family Home purchase: a direct loan program and a guarantee loan program.

The purpose of the Direct Rural Housing Service single family housing loan program is “to provide low- and very low-income people who will live in rural areas with an opportunity to own adequate but modest, decent, safe, and sanitary dwellings and related facilities.”¹ This is referred to as a “direct” loan program because USDA Rural Development funds the loan directly from its appropriations and directly services the loan. The program is often referred to as the “502” Direct Loan program because it was authorized in Section 502 of the Housing Act of 1949.²

The 502 Direct program provides an interest payment assistance subsidy that can reduce borrowers interest payments to as low as 1 percent of the principal value.³ This subsidy is based on the borrower’s income and is reevaluated throughout the term of the loan. If a borrower’s circumstances change, (for example, if they lose their job or get a raise), the subsidy is reevaluated based on their new financial circumstances. USDA is also authorized to temporarily suspend the amount due if the borrower’s ability to repay changes because of circumstances beyond the borrower’s control.⁴

This flexibility keeps the foreclosure rate relatively low: in May 2009, 3.4% of USDA Direct loans nationally were in the foreclosure process. This is almost half a percentage point lower than the national rate (across all loans) of 3.85%, and an astounding 10.9% lower than the subprime foreclosure rate of 14.34%.⁵

USDA Rural development also administers the “502 Guarantee” loan program. This program is aimed at a slightly higher income, but overlapping, population. The 502 Guarantee program serves “low or moderate-income families or persons” through private

Moderate, Low, and Very Low Income Definitions

The 502 loan programs determine income categories by comparing the borrower’s adjusted income to the median income of the MSA or county in which the property will be located.

The borrower’s income for eligibility is reduced for child-care expenses, unreimbursed anticipated costs of assistance for family members with disabilities, and a limited deduction for dependent care. Elderly households also receive a limited deduction for being elderly and may also deduct medical expenses from their income. (Source: USDA HB-1-3550)

| Income category | Program | Income limit | Income limits for a family of four in: | |
|-----------------|--------------------------|------------------------------|--|------------|
| | | | Zavala County | Austin MSA |
| Very low income | 502 Direct | 0-50% of Area Median Income | \$22,800 | \$36,650 |
| Low income | 502 Direct/502 Guarantee | 50-80% of Area Median Income | \$36,500 | \$58,650 |
| Moderate income | 502 Guarantee | 115% of Area Median Income | \$42,000 | \$64,150 |

lenders.⁶ (See box on preceding page: Moderate, Low, and Very Low Income Definitions) The private lender funds and services the loan, receiving a guarantee from USDA regarding repayment. Interest rates in the 502 Guarantee program are linked to market rates for conforming loans purchasable by Fannie Mae, and currently are about 5.5%.⁷

The majority of 502 Direct program funds are allocated to states on the basis of need at the start of the fiscal year. This need is determined by a formula incorporating census data on the quality of each state's rural housing stock and the size of each state's the rural low-income population.

USDA calculates need for the 502 Direct program using a weighted average of each state's percentage of the national rural:

- occupied substandard units (25%);
- population (10%);
- population in places of less than 2,500 persons (15%);
- households between 50 and 80 percent of the area median income (30%);
- households below 50 percent of the area median income (20%);

Based on the 2000 census, Texas has the highest level of need for 502 Direct funds among all 50 states. Texas has 43% greater need than the number two ranked state, North Carolina.⁸ Although the initial allocation of the majority of funds is according to need, if a state does not promptly spend (or "obligate") its initial allocation, the funding is made available to other states.

| Unspent USDA 502 Funds (In Millions) | | | | | | | | |
|---|------------------------|------------------|------------------|------------------------|------------------------|------------------|------------------|------------------------|
| 502 Direct | | | | | 502 Guarantee | | | |
| | National Appropriation | Texas Allocation | Texas Obligation | Unobligated Allocation | National Appropriation | Texas Allocation | Texas Obligation | Unobligated Allocation |
| 2005 | \$1,140.8 | \$41.8 | \$51.3 | \$0.0 | \$3,106.9 | \$116.4 | \$33.5 | \$82.9 |
| 2006 | \$1,129.2 | \$42.6 | \$38.1 | \$4.5 | \$3,539.2 | \$131.0 | \$37.1 | \$93.9 |
| 2007 | \$1,129.4 | \$41.0 | \$41.4 | \$0.0 | \$3,439.0 | \$131.0 | \$134.6 | \$0.0 |
| 2008 | \$1,121.0 | \$40.1 | \$39.3 | \$0.8 | \$4,958.0 | \$181.9 | \$219.2 | \$0.0 |
| 2009 | \$1,121.5 | \$40.1* | \$25.8 | \$14.3 | \$6,223.8 | \$232.2* | \$321.5 | \$0.0 |
| ARRA | \$1,000.0 | \$36.6* | \$1.2 | \$35.4 | \$10,472.0 | \$390.7* | \$407.0 | \$0.0 |

* Estimated State Allocation based on published year allocation.

Sending money back

In 2008, Texas returned \$803,000 of its initial allocation of 502 Direct funds to the national pool, one of only 8 states to fail to spend its initial allocation.⁹ In 2009, we estimate that Texas returned an astounding \$14.3 million of its initial allocation to the national pool, returning more funds than any other state or territory.¹⁰ (See: Unspent USDA Funds, preceding page).

The American Recovery and Reinvestment Act of 2009 (ARRA) contained \$1.0 billion in additional funding for the 502 Direct program over 2009 and 2010, roughly equivalent to the program's annual appropriation.¹¹ Texas has spent just 14% of these funds, an obligation rate that ranks Texas last among the 50 states.¹² In absolute spending, Texas has spent approximately \$1.0 million, ranking 46th behind Rhode Island.¹³ (See Table: States Ranked by Dollar Obligation of Recovery Act 502 Direct Funding.)

Although the date for national pooling of recovery act funds has not yet been announced, Texas is on track to return ARRA funds to the national pool when such pooling occurs.

Meanwhile, over the last five years the 502 Guarantee program has increased dramatically in size in Texas, increasing from \$33.5 million obligated in 2005 to \$219.2 million in 2008.¹⁴ This impressive growth has allowed Texas to use its entire initial allocation of 502 Guarantee funds as well as access the national pool of unallocated funds.

| States Ranked by Dollar Obligation of Recovery Act 502 Direct Funding. | | |
|--|--------------|--------------|
| Rank | State | ARRA \$ |
| 1 | IDAHO | \$16,500,767 |
| 2 | CALIFORNIA | \$15,245,304 |
| 3 | TENNESSEE | \$10,716,075 |
| <hr/> | | |
| 45 | RHODE ISLAND | \$1,046,500 |
| 46 | TEXAS | \$1,007,114 |
| 47 | NORTH DAKOTA | \$1,002,051 |
| 48 | NEW MEXICO | \$913,278 |
| 49 | HAWAII | \$651,255 |
| 50 | WYOMING | \$612,203 |

Hurricane Funds - Another Missed Opportunity

The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 authorized additional Funds for Direct Loans for areas affected by Hurricanes Katrina and Rita, including Texas. (Source: Federal Register Vol. 74, No. 121, June 25, 2009)

Texas was initially allocated \$11.6 million of these funds. As of the end of FY 2009 (i.e. September 30, 2009), Texas had made only one loan under the program.

For comparison, Florida had made 58 and Louisiana had made 57. (Source: Housing Assistance Council, USDA Obligations by Group of Programs 2009)

Nevertheless, the 502 Guarantee program is not a perfect replacement for the shrinking 502 Direct program, primarily because the 502 Guarantee program does not serve borrowers with Very Low Incomes. In 2008, the adjusted average income of 502 Direct borrowers in Texas was \$25,400, while the average income of Guarantee borrowers was \$45,300.¹⁵

Even among those borrowers who do use the 502 Direct program, the demographics have shifted away from Texans with Very Low Incomes. In 2005, 51% of borrowers in the 502 Direct program were Rural Texans with

| USDA 502 Direct Loans to Borrowers with Very Low Incomes (\$ In Millions) | | | | |
|--|------------------|------------------------------------|--|---|
| | Texas Obligation | "Texas Very-Low Income Obligation" | "Texas Very-Low Income as % of Direct" | "National Very-Low Income as % of Direct" |
| 2005 | \$51.3 | \$26.2 | 51.0% | 51.3% |
| 2006 | \$38.1 | \$19.2 | 50.5% | 48.3% |
| 2007 | \$41.4 | \$19.1 | 46.0% | 47.7% |
| 2008 | \$39.3 | \$17.4 | 44.4% | 43.4% |
| 2009 | \$25.8 | \$8.3 | 32.0% | 40.5% |
| ARRA | \$1.2 | \$0.1 | 7.1% | 27.7% |

Very Low Incomes. In 2009, only 32% had Very Low Income.¹⁶ While this partially reflects a national trend, Texas has shifted away from borrowers with Very Low Incomes faster than the nation as a whole. As a result, Texas falls short of the statutory requirement that 40% of the 502 Direct funds allocated nationwide are spent on borrowers with Very Low Incomes, despite demonstrated housing need among such borrowers.¹⁷ (See Table: USDA 502 Direct Loans to Borrowers with Very Low Incomes) The 2009 State of Texas Low Income Housing Plan and Annual Report indicates that 75% of very low-income renting households have a housing need, more than three times the rate of moderate-income renters.

When compared with the dramatic growth in the 502 Guarantee program, the reduction in loans to Texans with Very Low Incomes is even more striking. In 2005, 31% of the loans made or guaranteed for single family home purchase by the USDA Rural Housing Service in rural Texas were made to borrowers with Very Low Incomes. In 2009, that figure has fallen to 2%.¹⁸ (See Table: USDA 502 Loans to Borrowers with Very Low Incomes).

| USDA 502 Loans to Borrowers with Very Low Incomes (\$ In Millions) | | | | |
|---|-------------------------|----------------------------|------------------------------------|---------------------------------------|
| | Texas Direct Obligation | Texas Guarantee Obligation | "Texas Very-Low Income Obligation" | "Texas Very-Low Income as % of Total" |
| 2005 | \$51.3 | \$33.5 | \$26.2 | 30.9% |
| 2006 | \$38.1 | \$37.1 | \$19.2 | 25.6% |
| 2007 | \$41.4 | \$134.6 | \$19.1 | 10.8% |
| 2008 | \$39.3 | \$219.2 | \$17.4 | 6.7% |
| 2009 | \$25.8 | \$321.5 | \$8.3 | 2.4% |
| ARRA | \$1.2 | \$407.0 | \$0.1 | 0.0% |

Barriers to use

Through review of loan data and interviews with housing counselors and USDA staff, we've identified three barriers to more widespread use of the 502 Direct funds in Texas.

Barrier 1: USDA Texas has dedicated inadequate resources to the Direct Loan Program.

The Housing Assistance Council reports that at the start of FY 2008 Texas had a backlog of 2,179 Direct loans, the third largest of any state. Texas USDA had 11 unprocessed applications for each loan obligated in FY 2008. This was the 9th largest backlog ratio among the states.¹⁹

San Juana Gonzales, a housing counselor with Southwest Key in Austin, has attempted to use the 502 Direct program three times, and each time been told that the wait for the program was 6-9 months.

Such delays frustrate borrowers and may turn them to higher-priced, less flexible lending products.

Scooter Brochette, Housing Program Director with USDA Texas, said in an interview for this report that processing times varied widely among districted offices and that a shortage of employees available to process application contributed to delays in the program.

We recommend that USDA Texas balance resources more equitably between the 502 Direct and 502 Guarantee program. The lending trends suggest that staff have been allocated to the Guarantee program at the expense of the Direct program and borrowers with very low incomes. Texas has a great need for the 502 Direct program and should not be forgoing available federal funds.

Barrier 2: Lack of Awareness and Outreach

Another barrier to wider use of the 502 Direct program is simply lack of awareness among potential borrowers. “The community doesn’t know about the [502 Direct] program,” says San Juana Gonzales, a housing counselor with Southwest Key.

While the 502 Guarantee program benefits from the advertising of the private lenders working with the program, the 502 Direct program gets much less attention. Scooter Brochette, Housing Program Director with USDA Texas, indicated that the 502 Direct program is promoted with the 47 other USDA Rural Development programs in Texas, but acknowledged that it does not receive stand-alone advertising.

Ms. Gonzales specifically believes USDA falls short on outreach to the Spanish-speaking community. “I can assure you that if they put an ad on a local TV or Hispanic paper or sent staff to the morning show, it would help.” While national USDA has Spanish-language versions of many forms available on its website, the website of the Texas USDA contained no Spanish-language materials.

In 2003, 19.1% of Section 502 Direct and Guaranteed loans to purchase housing nation-wide were to minority households. While this closely follows national demographics (18.9% of all rural households were minority households), it does not match the demographics of the very low, low,

“There’s something wrong with this picture.”

Housing counselors interviewed for this report were surprised to learn that Texas was returning 502 Direct funds. Paul Turney, Executive Vice President at Brazos Valley Affordable Housing Corporation, was under the impression that the 502 Direct program had limited funds, indicating that local USDA staff had steered his clients towards the 502 Guarantee program.

“There’s something wrong with this picture,” San Juana Gonzales, a Housing Counselor with Southwest Key in Austin, Texas, said when informed Texas was returning funds dedicated to low-income rural homebuyers. “Drive east of the airport –all that you see is rural. The housing you see there is not safe, it’s crowded trailer homes,” she said,

and moderate-income population served by the 502 programs. Minorities comprise 25.1% of rural residents who earn below the national median rural income.²⁰

USDA's Strategic Plan calls for an increase in lending to minorities among its single family loan programs, but the current public data does not indicate if the Rural Development has made any progress toward that goal.

The Housing Assistance Council compiles aggregate data on the activities of the USDA, but the loan-level characteristics of these originations are largely unknown. Information such as census tract level geographical dispersion, application rejection rate, processing time, and race and ethnicity of borrowers are not available for the loans made under the 502 Direct program.

We recommend USDA Texas reach out directly to the borrowers with Low and Very Low Incomes targeted by the 502 Direct program. Such outreach should include Spanish language materials, as English-only outreach fails to target a large portion of the rural population in Texas with Low and Very Low Incomes.

Since 1976 the Home Mortgage Disclosure Act (HMDA) has required private lenders to report loan-level information about their lending activity. This information is collected by the Federal Financial Institutions Examination Council and is intended to provide the public with loan data that can be used to:

- Help determine whether financial institutions are serving the housing needs of their communities;
- Assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed; and
- Assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.²¹
- HMDA data provides partial transparency to the private lending process, but USDA, as a public lender, is not subject to its reporting requirements.

We recommend that a public lender such as USDA provide, at minimum, the same level of transparency provided by private sector lenders. Such transparency would facilitate the public's ability to monitor progress in USDA Rural Development's minority outreach.

Barrier 3: Complexity of program and difficulty qualifying borrowers with Very Low Incomes

The complexity of the 502 program is also a challenge to homebuyers. When presented with the requirements of the 502 application process, such as ongoing eligibility review and strict underwriting, some borrowers may pass up the direct subsidy for another loan product. "They just go to FHA," says Paul Turney of the Brazos Valley Affordable Housing Corporation. FHA does not provide Interest Payment Subsidy to borrowers, so borrowers diverted from the 502 Direct program may end up paying more for their housing over the life of the loan.

Purchasers with Very Low Incomes may also require more assistance throughout the application process than borrowers with low or moderate incomes. In an agency short on

resources and with a large backlog, there is incentive to move easier loans rather than invest limited resources in purchasers with Very Low Incomes.

One potential justification for the Texas's shortfall in serving borrowers with Very Low Income is that rural Texas has a special challenge because income determination is made relative to Area Median Income (AMI), not national or state medians. While the national Rural median income is \$51,300, implying a Very Low Income cutoff of \$25,650, the cutoff varies widely by state. The Very Low Income cutoff for a family of four in New Milford, Connecticut, is \$46,400, while the limit in place in at least 97 counties in Texas is only \$22,800.²² Because eligible incomes are low, it may require more effort to identify or construct properties affordable to purchasers in areas with very low median incomes.

Nevertheless, a review of other states with low rural AMIs suggests that this challenge can be overcome. Mississippi, for example, with a rural median income \$3,700 lower than Texas, surpassed its initial allocation by 24%. Louisiana, with a rural median income \$2,400 less than Texas, obligated an estimated \$6 million dollars above its initial allocation. In fact, state rural median income is not significantly correlated with the use of the Direct Loan program by borrowers with Very Low Incomes.²³

We know from past usage rates and other states that the challenges facing borrowers with Very Low Incomes in the 502 Direct program can be addressed.

We recommend the expansion of USDA's "Housing Application Packaging" program as a potential solution.²⁴ USDA should promote and provide funding for non-profit partnerships to identify and prepare homebuyers with Very Low Incomes for the 502 Direct Loan program. Such non-profits can provide the long-term counseling often needed to improve credit scores of borrowers with Very Low Incomes, as well as help them identify appropriate properties and navigate the complexity of the USDA application process.

We recommend that USDA also coordinate the 502 loan programs with the programs of the Texas Department of Housing and Community Affairs (TDHCA). This could facilitate the ability of developers to use the 502 Direct program in conjunction with other funding available through the state.

Conclusion:

The 502 Direct program is falling short of its potential to help homebuyers with Very Low Incomes in Texas.

We recommend:

- More balanced focus on the 502 Direct program by USDA staff.
- Outreach and marketing, including Spanish language marketing, to inform potential borrowers of the program and its benefits.
- Loan level-level reporting equivalent to HMDA to facilitate public oversight of the program.

- Expansion of non-profit partnerships to leverage the existing relationships many local non-profit counseling organizations have with the target population of the 502 Direct program.
- Coordination with Texas Department of Housing and Community Affairs to facilitate the ability of developers to use the 502 direct program in conjunction with other funding available through the state.

Kevin Jewell authored this report.

Credits:

Thanks to Lance George at the Housing Assistance Council for providing access to the much of the data behind this report and Kathy Tyler at Met. Inc for providing background on the 502 program. The responsibility for the opinions and errors in this report remain with the author

Endnotes

¹ CFR Title 7 § 3550.2 ,

Internet source: <http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=7&PART=3550&SECTION=2&TYPE=pdf>

² CFR Title 7 § 3550.1

Internet source: <http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=7&PART=3550&SECTION=1&TYPE=pdf>

³ CFR Title 7 § 3550.68

Internet source: <http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=7&PART=3550&SECTION=68&TYPE=pdf>

⁴ 42 U.S.C. § 1475 (a)

Internet source: <http://codes.lp.findlaw.com/uscode/42/8A/III/1475>

⁵ "Testimony of Tammye Trevino, Administrator, United States Department of Agriculture Rural Housing Service" House Committee on Financial Services Subcommittee on Housing and Community Opportunity, July 15, 2009. Internet Source: www.house.gov/apps/list/hearing/financialsvcs_dem/trevino_final_written_testimony.pdf;

"Delinquencies and Foreclosures Continue to Climb in Latest MBA National Delinquency Survey" Press Release, Mortgage Bankers Association, 5/28/2009.

Internet Source: <http://www.mbaa.org/NewsandMedia/PressCenter/69031.htm>

⁶ 42 U.S.C. § 1472 (h)(3) Eligible borrowers

Internet source: <http://codes.lp.findlaw.com/uscode/42/8A/III/1472>

Although 115% is the statutory and widely cited limit to the 502 Guarantee program, RD Instruction 1980-D (ver. 4/20/2009), EXHIBIT C states: Moderate Income is Defined as the Greater of 115% of the U.S. Median Family Income or the Avg. of the state-wide and state non-metro median family incomes or 115/80th of the area low-income limit."

Internet Source: http://www.rurdev.usda.gov/rhs/sfh/GSFH_Income_Limits/GRH%202009%20Income%20Limits.pdf

⁷ Author's calculation from:

RD Instruction 440.1 Rev. 9/22/09 and Fannie Mae's 11/19/09 90 Day 30-year fixed rate of 4.66735%.

Internet Sources: www.rurdev.usda.gov/regs/regs/pdf/04401.pdf; <http://www.efanniemae.com/syndicated/documents/mbs/aprices/archives/cur30.html>

Accessed 11/19/09.

⁸ "Department of Agriculture Rural Housing Service Notice of Availability of Funds; Multi-Family Housing, Single Family Housing" Federal Register / Vol. 73, No. 61 / Friday, March 28, 2008.

Internet Source: <http://edocket.access.gpo.gov/2008/pdf/E8-6332.pdf>

⁹ Housing Assistance Council Tabulation of USDA RD 205 Report Data. The Virgin Islands also returned funding to the national pool.

¹⁰ USDA did not publish the initial allocations for 2009 or ARRA funds. We have estimated the funds based on the prior year allocation.

¹¹ The American Recovery and Reinvestment Act of 2009.

Internet Source: <http://thomas.loc.gov/cgi-bin/query/F?c111:l:1:./temp/~c1114jBZ1:e7560>:

¹² Housing Assistance Council Tabulation of USDA RD 205 Report Data. The Virgin Islands and the West Pacific Islands have also spent a lower percentage of their ARRA funds.

¹³ Housing Assistance Council Tabulation of USDA RD 205 Report Data. The Virgin Islands and the West Pacific Islands have also spent less ARRA funds.

¹⁴ Housing Assistance Council Tabulation of USDA RD 205 Report Data

¹⁵ "USDA Rural Development Housing Programs. FY 2008 Year-End Report" Housing Assistance Council. March 2009. This is likely the "adjusted income" reported for eligibility determination (See box: Moderate, Low, and Very Low Income Definitions).

¹⁶ Housing Assistance Council Tabulation of USDA RD 205 Report Data

¹⁷ 42 U.S.C. § 1472 (d)(1).

Internet Source: <http://codes.lp.findlaw.com/uscode/42/8A/III/1472>.

The minimum allocation for Very Low Income borrowers for any single state is 30%.

¹⁸ Housing Assistance Council Tabulation of USDA RD 205 Report Data

¹⁹ "USDA Rural Development Housing Programs. FY 2008 Year-End Report" Housing Assistance Council. March 2009.

²⁰ CPS March Supplement 2009; U.S. Census. 2009.

"USDA Strategic Plan for FY 2005–2010" US Department of Agriculture. 2005

Internet Source: <http://www.usda.gov/ocfo/usdasp/pdf/sp05-05.pdf>

²¹ Regulation C - Home Mortgage Disclosure. Federal Reserve Board.

Internet Source: <http://www.ffiec.gov/Hmda/pdf/regulationc2004.pdf>.

²² Direct Loan & Grant Income Limits" (DLOS Field Office Handbook, HB-1-3550, APPENDIX 9) USDA 2009.

Internet Source: http://www.rurdev.usda.gov/rhs/sfh/DSFH_Income_Limits/Direct%202009%20Income%20Limits.pdf

²³ Authors calculations from: Housing Assistance Council Tabulation of USDA RD 205 Report Data

"FY2009 HUD Income Limits Briefing Material" U.S. Department of Housing and Urban Development Office of Policy Development & Research, April 20, 2009.

Internet Source: http://www.huduser.org/datasets/il/il09/IncomeLimitsBriefingMaterial_FY09.pdf

²⁴ RD Instruction 1944-B" USDA

Internet Source: <http://www.rurdev.usda.gov/regs/regs/pdf/1944b.pdf>