

2025 Affordable Housing Preservation Outreach

ACTIVITY:

B. The rural rental housing program under Section 515 of the Housing Act of 1949, 42 U.S.C. § 1485 (C.F.R. § 1282.34 (c) (7)).

OBJECTIVE:

2. Partner with nonprofit organizations to deliver TA to 30 organizations working to preserve the affordability of Section 515 properties and to provide measurable impact through TA efforts.

SUMMARY OF RESULTS:

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions taken</i>	<i>Explanation of any deviations from the Plan (if applicable)</i>
<input checked="" type="checkbox"/> Partner with nonprofit organizations to deliver TA to 30 organizations working to preserve the affordability of Section 515 properties and to provide measurable impact through TA efforts.	Fannie Mae partnered with Enterprise Community Partners (ECP) and the Housing Assistance Council (HAC) to deliver technical assistance (TA) to approximately 58 organizations focused on preserving Section 515 properties as affordable housing in rural communities.	
<input checked="" type="checkbox"/> Provide TA in the transfer analysis, negotiation, underwriting, and application process.	ECP and HAC built on their 2024 work by continuing existing Section 515 TA engagements and pursuing new preservation opportunities. ECP also completed another iteration of its Rural Preservation Academy while providing direct TA to organizations, and HAC continued offering direct TA as well.	
<input checked="" type="checkbox"/> Work with the organizations to identify and secure funding from other sources.	ECP and HAC worked with TA recipients to identify and apply for funding from several sources, including Multifamily Preservation and Revitalization (MPR) funds, state or local funding sources, and Low-Income Housing Tax Credits (LIHTC). A critical component of TA includes navigating the USDA Rural Development (RD) application process for ownership transfers, which can be quite complex, in addition to managing 515 debt maturities for the preservation of affordable rural properties.	



<input checked="" type="checkbox"/> Assess the results of TA provided in 2024 and identify opportunities and strategies to strengthen the program's effectiveness and increase its scale in 2025.	<p>Both TA providers leveraged key learnings from 2024 TA programs that informed processes in 2025, including the availability of Standalone Rental Assistance (SARA) contracts for properties with 515 loan maturities occurring in the immediate term. The ability to provide TA for SARA applicants was added to the scope of services in 2025 and represented an opportunity to scale the program in response to an emerging market need.</p>	
<input checked="" type="checkbox"/> Plan the 2025 TA program and identify organizations for TA delivery (owners of 515 properties at risk of exiting the program and mission-oriented entities seeking to preserve 515 properties).	<p>The 2025 TA programs were structured to include both direct TA to individual organizations as well as the Rural Preservation Academy on the part of ECP's program, which included a cohort of 17 participants.</p>	
<input checked="" type="checkbox"/> Execute the 2025 TA program.	<p>Our partners delivered TA to approximately 58 recipients identified through outreach to nonprofits, local housing authorities, and developers seeking to acquire legacy properties and keep them affordable. They also help connect these organizations with current property owners who are selling, often due to retirement.</p>	
<input checked="" type="checkbox"/> Document at least six submitted loan applications that would maintain both 515 debt and 521 rental assistance.	<p>Of the organizations served in 2025 TA programs, 17 applied to USDA for a transfer of ownership, and 9 applied for a Standalone Rental Assistance Contract.</p>	

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
- Target exceeded
- Target partially completed
- No milestones achieved

IMPACT:

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact



IMPACT EXPLANATION:

1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?

The USDA Section 515 direct loan program provides critical financing for affordable rental housing in rural areas. Since 2011, a lack of new USDA direct-financed rental housing has placed increased emphasis on preserving existing properties in the RD portfolio. By statute, when a Section 515 mortgage matures or is terminated, the property is no longer eligible to receive Section 521 Rental Assistance (RA), a project-based tenant rent subsidy applicable to approximately 80% of units financed with a 515 loan.¹ The expiration of this RA could put low-income residents at risk for displacement and result in the loss of key affordable supply in rural areas. Per USDA, roughly 27% of the units in the current RD portfolio could exit the program by 2034 as their mortgages mature.² To keep RA in place, property owners may refinance or transfer ownership of Section 515 properties through the USDA. Fannie Mae partners with two providers of TA services, ECP and HAC, to aid owners and potential buyers in navigating the process while delivering best practices and expert knowledge. In 2025, these partners provided direct TA to a total of approximately 58 organizations. This exceeded our goal of 30 organizations supported through partnerships and accounted for properties totaling over 3,900 units, including 17 applications for transfer of ownership, and 9 applications for Standalone Rental Assistance (SARA) to preserve a total of 986 units for very low-income residents.

Enterprise Community Partners

In 2025, ECP developed and hosted another iteration of the Rural Rental Preservation Academy between April and August of 2025, a series of trainings and peer-learning sessions, at no cost to the participants. The Preservation Academy was designed to help rural housing providers and nonprofits acquire and preserve USDA RD affordable multifamily housing. It covered key steps in the process of preserving USDA Section 515 properties; educated participants on different funding sources, case studies from the field, and how to navigate forms and policies; and connected participants with direct TA resources and USDA RD experts to handle specific projects. The academy featured 11 total sessions, 3 held in-person and 8 held virtually, for 17 participating organizations, followed by an in-person convening in Knoxville, TN in August. The in-person programming featured panels from financial experts, housing providers, and local industry stakeholders to discuss current challenges and share key learnings. In addition to the Preservation Academy, ECP also provided direct TA to support specific preservation projects. In total, ECP met with approximately 32 groups to provide TA services for approximately 55 projects, or 1,865 units, in 2025. As a result of ECP's direct TA engagements, two projects closed their first stage of simple transfer, with three additional transfer applications successfully submitted to USDA in 2025 to preserve a total of 238 units.

HAC

In 2025, HAC continued to provide TA and expertise to preserve the long-term affordability of critical rural housing stock through its Center for Rural Multifamily Housing Preservation. Organizations represented in the pipeline include a broad array of mission-aligned nonprofit and public housing authorities. The TA provided by HAC supported 14 applications in 2025 for transfer of ownership for a USDA 515 property, accounting for 480 rental homes, all expected to close in 2026. The pipeline as of the end of 2025 represented 81 properties and 2,118 rental homes, including 1,605 rental homes with 521 rental assistance. HAC's engagements during the year expanded to eight new states in 2025: California, Michigan, Iowa, Oregon, Mississippi, Indiana, Ohio, and Minnesota. With the support of our partnership, HAC also created and implemented a TA program for Standalone Rental Assistance (SARA) that permitted the creation of standardized materials and practices that have been shared within the industry for peer learning by other TA providers. HAC delivered SARA TA to nine properties with 268 rental homes. In each case, TA resulted in submission of a SARA application to USDA. HAC assembled eight of the packages directly, which included 228 rental homes, with a turnaround of only 30 days for seven of the packages.

2. What did the Enterprise learn from its work about the nature of underserved market needs and how to address them?

A significant challenge encountered during the year was the impact of the federal government shutdown, which began in October and lasted 43 days. This disruption delayed USDA processing timelines for active applications which increased costs for transactions because third-party reports, such as appraisals and capital needs assessments, expired and required updates before closings could proceed. TA providers stepped in to help organizations manage these delays by negotiating purchase and sale

¹ U.S. Department of Agriculture, Rural Development. Fiscal Year 2023 Multifamily Housing Annual Occupancy Report. 2024. <https://www.rd.usda.gov/sites/default/files/Fiscal-Year-2023-Multifamily-Housing-Annual-Occupancy-Report.pdf>

² U.S. Department of Agriculture, Rural Development, "Section 521 Stand-Alone Rental Assistance," <https://www.rd.usda.gov/programs-services/multifamily-housing-programs/section-521-stand-alone-rental-assistance>



agreement extensions, addressing rental assistance payment issues, and providing support for budget or reserve concerns. Beyond transactional support, TA focused on building organizational capacity for future preservation efforts. This is critical given the wave of Section 515 loan maturities expected over the next five years. Increased independence among organizations will enable preservation at scale. For example, HAC reported that several TA recipients who completed their first acquisition in 2025 have already begun pursuing additional opportunities.

USDA introduced the SARA pilot program in September 2024 to address affordability risks tied to Section 515 loan maturities. Historically, rental assistance under Section 521 was linked to active USDA loans, meaning that once loans matured, properties lost access to project-based subsidies — placing low-income tenants at risk of displacement. SARA decouples rental assistance from debt financing, allowing continued support for up to 20 years after loan maturity. This policy change creates new preservation pathways by enabling owners to secure alternative financing for physical preservation and rehabilitation while maintaining affordability for residents. SARA is available on a pilot basis and is subject to authorization for future years through the federal budget process. Recognizing the importance of this development as an emerging market opportunity, we expanded TA services in 2025 to include support for SARA applications, which would become critically important for supporting this application volume as the sole source of TA. We will continue monitoring this segment for opportunities to align TA and loan purchase activities with emerging preservation needs.

3. Optional: If applicable, why was the Enterprise unable to achieve the Plan target?

N/A