

NAHMA Rural Housing Update: Guidance for Section 542, Rural Development Vouchers, and Section 538, Guaranteed Rural Rental Housing

Dear NAHMA members,

Below, please find two recent USDA-RHS updates regarding **Section 542, the Rural Development Voucher Program (RDVP)** and **Section 538, the Guaranteed Rural Rental Housing Program (GRRHP)**.

1. Recently, USDA's Rural Housing Service (RHS) published the attached Federal Register Notice with regard to **Section 542, the Rural Development Voucher Program (RDVP)**. The Notice outlines the general policies and procedures for providing voucher assistance to eligible tenants when a property owner either prepays a Section 515 loan or USDA action results in a foreclosure.

The RDVP is intended to offer protection to eligible Multi-Family Housing (MFH) tenants in properties financed through RD's Section 515 Rural Rental Housing program who may be subject to economic hardship due to the property owner's prepayment of the RD mortgage.

The RDVP is intended to help tenants by providing an annual rental subsidy that will supplement the tenant's rent payment. Low-income tenants in the prepaying property are eligible to receive a voucher to use at their current rental property, or to take to any other rental unit.

To read the Federal Register Notice online, please click [here](#).

2. RHS recently released the attached Unnumbered Letter (UL) providing **guidance on loan refinancing for existing properties with Section 538 Guaranteed Rural Rental Housing Program (GRRHP) loan guarantees**. The UL applies to loan guarantees where the Agency determines that refinancing is in the best interest of the Government or the program, and HB-1-3565 will be revised to include these specifications.

To read the UL on Section 538, please click [here](#).

Thanks,
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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.*