

one of the most under-housed segments of our society. The \$11.8 billion portfolio of 444,000 units and nearly 17,400 projects often provides the only decent, safe, and sanitary affordable rental housing available in rural areas.

The information collected is used by the Agency to manage, plan, evaluate, and account for Government resources. The reports are required to ensure the proper and judicious use of public funds.

*Estimate of Burden:* Public reporting burden for this collection of information is estimated to average 0.61 hours per response.

*Respondents:* Limited for profit and nonprofit developers, public bodies and rural tenant households.

*Estimated Number of Respondents:* 500,000.

*Estimated Number of Responses per Respondent:* 4.3.

*Estimated Number of Responses:* 2,166,709.

*Estimated Total Annual Burden on Respondents:* 1,318,434 hours.

Copies of this information collection can be obtained from Tracy Givlekian, Regulations and Paperwork Management Branch, at (202) 692-0039.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Agencies, including whether the information will have practical utility; (b) the accuracy of the Agencies' estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this notice will be summarized, included in the request for OMB approval, and will become a matter of public record. Comments should be submitted to Tracy Givlekian, Regulations and Paperwork Management Branch, Support Services Division, Rural Housing Service, U.S. Department of Agriculture, STOP 0742, 1400 Independence Avenue, SW., Washington, DC 20250-0742. A comment is best assured of having its full effect if it is received within 30 days of publication of this rule.

### Programs Affected

The programs affected by this regulation are listed in the Catalog of

Federal Domestic Assistance under number 10.405—Farm Labor Housing Loans and Grants; 10.415—Rural Rental Housing Loans; and 10.427—Rural Rental Assistance Payments.

### Intergovernmental Consultation

These loans are subject to the provisions of E.O. 12372 which require intergovernmental consultation with state and local officials. RHS conducts intergovernmental consultations for each loan in a manner delineated in RD Instruction 1940-J (available in any RD office and on the Internet at <http://rdinit.usda.gov/regs/>).

### Background Information

#### An Overview

Most communities in rural America have a scarcity of decent rental housing affordable to very low-income families. In addition, migrant farm workers and farm laborers, whose incomes are extremely limited, face some of the worst housing conditions in the nation. Despite improvements in housing quality, especially in the number of rural units with complete plumbing facilities, there are about 2.7 million families who live in substandard housing. According to 1990 census data, rural renters were more than twice as likely to live in substandard housing as people who owned their own homes. With lower median incomes and higher poverty rates than homeowners, many renters are simply unable to find decent housing that is affordable. RHS's rental housing programs are some of the few resources that enable the very low-income renters in rural America to access decent, safe, sanitary and affordable housing. In many of America's rural communities, there are simply no other safe and sanitary alternatives for very low-income people.

Through public and private partnerships, RHS enables limited profit and nonprofit developers to build rental housing for low-income and very low-income tenants across rural America. The \$11.8 billion portfolio of 444,000 units and nearly 17,400 projects often provides the only decent, affordable rental housing available in rural areas. The program provides affordable rental housing to very low income and low-income rural families, to handicapped and to elderly residents. The average tenant has an adjusted income of \$8,105.

This direct loan program employs a public-private partnership by providing subsidized loans at an interest rate of 1 percent to developers to construct or renovate affordable rental complexes in rural areas. This 1 percent loan keeps

the debt service on the property sufficiently low to support below-market rents affordable to low-income tenants. Many of these projects also utilize low-income housing tax credit proceeds. This program is typically used in conjunction with RHS section 521 Rental Assistance, which provides project-based rental assistance payments to property owners to subsidize tenants' rents to an affordable level. With rental assistance, tenants pay 30 percent of income towards their rent (including utilities). Some 515 projects also utilize HUD's Section 8 project-based assistance, which enables additional very low-income families to be served.

#### Goals of the Regulatory Streamlining Process

This proposed rule is a result of RHS's pledge to make its programs more customer-friendly, streamline the processes, reduce costs to the taxpayer, and increase the Agency's level of customer service. This goal was accomplished through the input and commitment that resulted from numerous stakeholder meetings with recognized leaders in the multi-family industry. These leaders included borrowers, management agents identified by industry groups and tenant representatives. Representatives of state housing finance agencies, accounting firms and the USDA Office of Inspector General also participated. Through these meetings, we were able to draw a vast amount of expertise and knowledge to meet the following objectives of MFH streamlining and consolidation: Assure affordable safe, decent and sanitary housing for very low and low-income residents of rural America.

- Consolidate and simplify 13 regulations into one regulation for rural rental housing, farm labor housing and rental assistance.
- Develop an efficient loan application process that supports the creation of partnerships and leveraging with local, state and other federal entities.
- Clarify our existing policies and procedures to reflect the best practices within the Agency and within the multi-family field.
- Improve efficiency and service to our customers, correcting past problems and addressing concerns raised by our stakeholders so that particularly complex processes, such as preservation, work better.
- Make much of the farm labor housing review and approval processes the same as those for rural rental housing.
- Create a series of handbooks available to the field staff and to our