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\$230 million in federal rural housing funds set to expire this week

The Trump administration has not spent roughly half of a congressionally approved fund to help low-income people buy homes in rural communities.



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The U.S. Department of Agriculture building is seen in Washington on Dec. 7, 2024. | Jose Luis Magana/AP

The Trump administration is poised to allow roughly \$232 million in federal funding designated to help low-income families buy homes in rural communities to expire this week.

The Agriculture Department's Rural Development agency has spent just \$518 million of the roughly \$1 billion Congress allocated for the [Single Family Direct Home Loans](#) program this year. The expiring funds would help as many as 850 families get the financing they need to purchase homes, according to Sen. [Patty Murray](#) (D-Wash.), the top Democrat on the Senate Appropriations Committee.

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“President [Donald] Trump and [Agriculture] Secretary [Brooke] Rollins are lighting funding on fire that should have helped families in rural areas fulfill their dreams of owning a home to call their own,” Murray said in a statement. “There’s no excusing the fact that as the housing crisis hits rural America, this administration’s incompetence and intentional sabotage are denying help to families who need it most.”

About \$250 million of the unspent money will carry over to the next fiscal year, but roughly \$232 million will expire Wednesday with the end of the fiscal year.

The Trump administration has targeted the program, which Congress has repeatedly fully funded the program with bipartisan support. The White House called for eliminating it altogether in its [proposed budget for fiscal 2026](#), but lawmakers rejected the idea.

USDA blamed the government shutdown for its inability to spend the money.

“The Trump Administration has worked diligently to steward American tax dollars to

safe and secure rural investments on promote rural America," a spokesperson said in a statement. "Unfortunately, the Congressional Democrats embarked on the longest federal government shutdown in our history, holding up millions in potential investments to worthy applicants."

The White House has repeatedly tried to wrest control of the federal budget from Congress. The president last week [announced plans to rescind \\$1 billion](#) in federal spending, a budget maneuver that some lawmakers — including some Republicans — view as illegal.

The housing funds are sitting unused at a time when the cost of buying a home has become prohibitive for many Americans, including in rural communities where Trump's Council of Economic Advisers identified "a strong need for additional rural housing supply to tame costs and enable greater homeownership," [according to a June 2025 report](#).

The program finances about 5,500 mortgages annually, and has helped about 2 million families buy homes in rural communities during its roughly 40-year existence. Congress has funded the program at about \$1 billion annually since 2016, [according to USDA data](#).

Democrats slammed the failure to spend the money.

"By letting this funding expire, the Administration is sending a clear message: Addressing sky-high housing prices isn't one of their priorities," Sen. [Jeanne Shaheen](#) (D-N.H.), ranking member of the Senate Appropriations Agriculture Subcommittee, said in a statement.

Sen. [John Hoeven](#) (R-N.D.), Shaheen's GOP counterpart on the appropriations panel, was less critical.

"USDA does not always reach the caps with any loan program in a single fiscal year, which is why we have provided the department with authority to carry over \$250 million for the program into the next fiscal year," Hoeven said in a statement. "At the same time, we'll work to ensure the program is working for rural communities and fulfilling its intended purpose."

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Experts blame administrative modifications [the department made](#) to how the program was administered in February — [changes that the National Rural Housing Coalition warned](#) at the time could "significantly reduce the likelihood" of spending the full amount before the end of the fiscal year.

“We have never had this before in the history of the program,” said Bob Rapoza, a lobbyist for the coalition, noting that the program usually has more applications than available funding. “Typically, by this time, they've run out of money.”

The administrative changes require more internal review of loan applications — including by political appointees for the first time — and reduced the maximum borrowing amount. The changes also eliminated families’ Supplemental Nutrition Assistance Program benefits from the calculation of their ability to make payments, potentially making it harder for them to qualify for loans.

USDA’s Rural Development agency, which administers the program, has also lost nearly 40% of its staff during the Trump administration, [according to federal data](#), which Rapoza said is also a factor. Rollins’ sweeping reorganization of USDA is expected to further contract staffing as workers decline to relocate.