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October 19, 2026

Submitted via www.regulations.gov
U.S. Department of Agriculture
Rural Business-Cooperative Service
Rural Housing Service
1400 Independence Ave., SW
Washington, DC 20250

Re: Recission of Rual Development's Construction and Repair Regulation; RHS-26-ADMIN-0331; RIN 0575-AD54

To Whom It May Concern:

The National Low Income Housing Coalition (NLIHC) writes regarding the Department of Agriculture's Notice of Proposed Rulemaking (Proposed Rule) entitled, "Rescission of Rural Development's Construction and Repair Regulation."[1] The Proposed Rule proposes "to rescind the standards in 7 CFR 1924 for its housing programs as existing State and local requirements sufficiently protect Federal investments."[2]

NLIHC is an organization whose members include state and local affordable housing coalitions, residents of public and assisted housing, nonprofit housing providers, homeless service providers, fair housing organizations, researchers, faith-based organizations, public housing agencies, private developers and property owners, local and state government agencies, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we work on behalf of and with low-income people who receive or need federal housing assistance, especially extremely low-income people and people who are homeless.

If finalized and implemented, the Proposed Rule would rescind construction and repair regulations for projects funded by certain USDA Rural Development housing programs (7 CFR Part 1924). However, NLIHC is concerned that the Proposed Rule fails to adequately account for the impacts on people with the lowest incomes by the rescission of Part 1924.

[1] 91 Fed. Reg. 53,540 (Aug. 19, 2026).
[2] 91 Fed. Reg. at 53,540.

The Proposed Rule asserts that "existing State and local requirements sufficiently protect Federal investments" and that "[l]ocal building codes and permitting systems already ensure structural integrity, safety, and compliance for construction and development."[3] The Proposed Rule also adds that "these locally administered requirements meet the needs previously addressed in Part 1924."[4] Yet, the Proposed Rule fails to discuss how Rural Development (RD) arrived at this conclusion and provides no details on any surveys or research conducted to support this assertion. Small towns and rural counties often lack the infrastructure, funding, and technical support to maintain and enforce building codes.[5] According to one analysis of 2021 American Housing Survey data, more than 1.4 million, or 5.6 percent, of homes in rural communities are "inadequate," with an estimated 368,000 homes deemed "severely inadequate" – referencing the lack of sufficient heating, plumbing, electric/wiring, or upkeep.[6] Given low wages and insufficient supply of housing, renters in rural areas are more likely to experience overcrowding.[7] Despite these realities, the Proposed Rule preamble fails to consider how the removal of federal standards would impact the health, safety, and quality of life for residents in RD-assisted housing who live in areas *without* robust state and local requirements that are consistently enforced.

Furthermore, the Proposed Rule does not meaningfully evaluate what protections would be lost if the Proposed Rule is finalized without minimum federal standards, and any possible drawbacks. Nor does the Proposed Rule discuss why wholesale removal of Part 1924 is preferable to specific, targeted changes to individual regulations to remove barriers to affordable housing construction. This lack of explanation or meaningful analysis makes it difficult for the public to evaluate the proposal, as the provided "Summary of Changes" (Part II) simply references the recission of Part 1924 and conforming changes.

Third, the Proposed Rule states that a Civil Rights Impact Analysis has been conducted "to identify any major civil rights impacts" for participants of USDA Rural Housing programs. The Proposed Rule does not provide any insights into how its analysis supported the conclusion that the Proposed Rule "is not likely to negatively impact low and moderate-income populations, [or] minority populations…," by virtue of "their age, race, color, national origin, sex, disability, or marital or familial status."[8] The Proposed Rule provides no explanation as to how removal of baseline repair and construction regulations will avoid impacting these populations, including communities of color and people with disabilities, particularly where state and local jurisdictions do not have the protections or enforcement capability to ensure residents have access to safe and decent conditions.

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[3] 91 Fed. Reg. at 53,540.

[4] 91 Fed. Reg. at 53,540.

[5] *See* https://www.westernplanner.org/2017publishedfeatures/2018/6/27/code-compliance-difficulties-and-ideas-for-small-towns

[6] https://nlihc.org/sites/default/files/UTF-8Rural%20Housing%20Needs%20Factsheet.pdf

[7] https://nlihc.org/sites/default/files/UTF-8Rural%20Housing%20Needs%20Factsheet.pdf

[8] 91 Fed. Reg. at 53,541.

According to the Federal Reserve Bank of Philadelphia's analysis of the 2023 American Housing Survey, repair needs generally "were concentrated among households with incomes below 200 percent of poverty."[9] Black, Hispanic/Latino, and multiracial households were among those more likely to report repair needs, when compared with households overall.[10] NLIHC is concerned that the elimination of baseline federal standards will encourage housing construction to meet lower quality thresholds and reduce the longevity of newly built housing, and the resulting negative impacts will disproportionately harm people with the lowest incomes, as well as people of color.

In closing, NLIHC believes that RD has insufficiently considered the negative impacts of rescinding Part 1924.

Sincerely,

David Gonzalez Rice, PhD
Senior Vice President of Public Policy

[9] https://www.philadelphiafed.org/-/media/FRBP/Assets/Community-Development/Briefs/home-repair-costs-2025/home-repair-costs.pdf, at 4.
[10] https://www.philadelphiafed.org/-/media/FRBP/Assets/Community-Development/Briefs/home-repair-costs-2025/home-repair-costs.pdf, at 5.