

September 16, 2026

Freddie Mac Update

Effective Date

Effective immediately

Update:

USDA Rural Development Rescinds Outdated Construction Regulation

USDA announced it is proposing to rescind 7 CFR part 1924, an outdated Farmers Home Administration regulation governing certain planning, construction, and development requirements for USDA-financed single-family and multifamily housing.

- The action removes a regulation issued in 1987 that predates modern construction practices, today's USDA Rural Development programs, and the state and local codes that govern residential construction. The rescission advances the Trump-Vance Administration's commitment to reduce unnecessary federal regulation, respect state and local authority, safeguard taxpayer resources, and expand opportunity in rural America.
- "Under the leadership of President Trump, Vice President Vance, and Secretary of Agriculture Brooke Rollins, USDA Rural Development is taking a hard look at outdated rules that raise costs and make it harder for rural Americans to access affordable housing," said Rural Development Under Secretary Glen Smith. "This action removes an unnecessary layer of federal process, respects the role of state and local building authorities, and enables Rural Development to focus on delivering results for rural communities and taxpayers."
- Part 1924 imposed federal planning, specification, contracting, inspection, and warranty-documentation requirements in addition to applicable state and local building standards. State and local governments already administer and enforce building codes intended to protect health, safety, and construction quality. Maintaining a separate and overlapping federal process increased administrative burden, added costs, and delayed housing development.
- "Affordable rural housing is a priority for Secretary Rollins and the Trump-Vance Administration," said Rural Housing Service Administrator George Kelly. "Rural families, builders, lenders, and developers should not have to navigate duplicative Washington requirements when state and local safeguards are already in place."
- Rescinding this outdated rule will make our programs more efficient, reduce unnecessary burden, and help USDA Rural Development serve more rural Americans."
- The rescission supports Executive Order 14192, "Unleashing Prosperity Through Deregulation," and Executive Order 14394, "Removing Regulatory Barriers to Affordable Home Construction." It is part of USDA Rural Development's broader effort under Secretary Rollins to ensure federal programs operate efficiently, protect taxpayer dollars, and remove barriers that inhibit investment and housing development in rural communities.
- USDA Rural Development will continue to administer its housing programs consistent with the Housing Act of 1949 and all applicable statutory requirements. State and local building codes, as well as USDA program underwriting and other applicable requirements, will remain in place to ensure financed housing is decent, safe and sanitary.

Should you have any questions, please reach out to your Account Executive or Client Manager