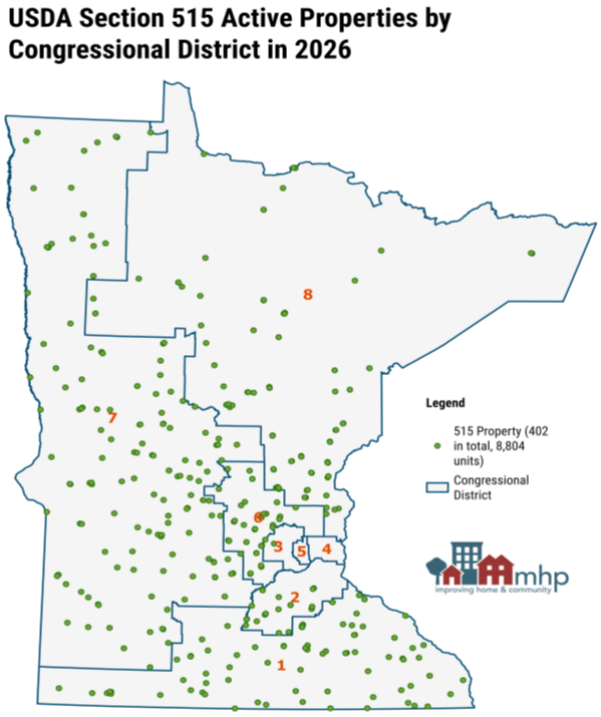
Preserving Minnesota's Rural Rental Homes: USDA Section 515

Across the country, rural housing stock grew less than 2% from 2010 to 2020, and Minnesota faces the same challenge: rural communities are losing affordable homes faster than they can replace them. In many Minnesota communities, smaller rental properties with USDA Sec 515 loans are among the only available homes to seniors, people with disabilities, and families with low incomes.

In the next few years, thousands of USDA-financed Sec 515 properties, or rural rental multifamily homes, will reach loan maturity. Without further action, these homes will lose the rental assistance that keeps them affordable.



402 Section 515 properties providing 8,804 rural rental homes

Important to Minnesota's Rural Residents

As Section 515 mortgages mature, Greater Minnesota is steadily losing affordable homes that are **difficult—often impossible—to replace once they are gone**. In 2000, Minnesota was home to 453 Section 515 properties with 9,519 rental units. **In 2026, there are 402 properties with 8,804 units—a loss of 715 affordable rural rental homes in just six years due to maturing mortgages and other property exits**.

- In 48 of 80 counties in Minnesota, Section 515 homes account for more than 20% of all subsidized housing, reaching as high as 45% in some counties
- Almost 90% of Section 515 properties have 30 or fewer units
- Properties average at least 35 years old
- Residents have very low incomes: $20,800 on average, or $14,200 for households with rental assistance
- Many residents are seniors (30%) or people with disabilities (17%)

Section 515 Property Exits from March 2025–March 2026

Congressional District	Active Properties	Active Units	Properties Exited	Units Exited
1	92	1941	9	121
2	21	530	0	0
3	1	25	0	0
6	44	1171	2	45
7	153	3071	5	46
8	91	2066	1	24

Minnesota Is One of the States Most at Risk of Losing Rural Rental Homes Residents Can Afford

The peak of mortgage maturations for Section 515 properties in Minnesota will occur in 2030, about 10 years *before* the peak in mortgage maturations occurs for Section 515 properties in the U.S. — with the potential for thousands of Section 515 homes to leave the program.

Year	USDA RD 515 Properties in MN	Rental Units
2026	402	8804
2025	418	9032
2023	433	9207
2020	453	9519

Preserving Minnesota's Section 515 rental homes is one of the most cost-effective ways to maintain housing stability. Federal solutions for preserving Section 515 homes include:

- Section 515 Multifamily Direct Loans
- Multifamily Preservation and Revitalization Program
- Section 521 Rental Assistance and Section 542 Vouchers
- Multifamily Housing Nonprofit Transfer Technical Assistance Program (USDA)
- Stand Alone Rental Assistance (decoupling)