

PROGRAM: RD Rural Housing Site Loans - Sections 523 & 524

AGENCY: USDA Rural Development (RD), Rural Housing Service

DESCRIPTION: Loans for public or private nonprofit organizations to buy and develop building sites.

ELIGIBLE USES:

- Construction of access roads, streets and utilities.
- Sites must be developed for low- and moderate-income families. Section 523 loan funds may be used to purchase land to be used by mutual self-help participants.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Loans in excess of \$200,000 must have prior approval of the National Office.
- Maturities: Two years on direct loans for self-help loans.
- Rates: 3% on direct loans for self-help sites only (523) and the rate for 534 loans is determined annually.

QUALIFICATION CRITERIA/COMMENTS:

- Limited to public or private nonprofit organizations.
- Sites developed with a Section 524 loan must be for low- and moderate-income housing, and may be sold to families, nonprofit organizations, public agencies and cooperatives.
- Sites developed with a Section 523 loan can only be used for housing of low-income families participating in the mutual self-help program.
- Sites developed with a Section 523 loan may be sold only to qualified families who will build homes by the self-help method.
- Sites developed with a Section 524 loan may be used for dwellings for low and moderate income families and may be sold to families, nonprofit organizations, public agencies and cooperatives eligible for assistance under any law which provides financial aid for housing. Such agencies include USDA Rural Development, HUD, VA, private lenders, nonprofit organizations funded by federal, state or local governments, or state and local public agencies.
- For more information, visit http://www.rurdev.usda.gov/sd/rural_housing_site_loans.htm .
- Rural Development Homepage: <http://www.rurdev.usda.gov/rbs/index.html>