

PROGRAM: RD Rural Housing Loans and Grants - Section 504

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

DESCRIPTION: This program provides loans and grants for home repair and improvements in rural areas.

ELIGIBLE USES:

- Home repairs for the removal of health and safety hazards.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: The maximum loan is \$20,000; the maximum grant is \$7,500. Grants are only authorized for the elderly (62 years of age or older) who are unable to repay the loan.
- Equity: Although an official appraisal procedure is not usually done, the value of the property must be adequate to secure the loan.
- Term: Up to 20 years.
- Rates: 1% for loans.
- Fees: Closing cost fees may be charged on larger loans. These can be incorporated into the loan amount.

QUALIFICATION CRITERIA/COMMENTS:

- The program applies to very-low income owner-occupants who do not have enough income to qualify for Section 502 assistance (RD Rural Housing Insured Loan). The maximum adjusted income for eligibility is 50% of area median income.
- Loan applicants must demonstrate the ability to repay the loan.
- Loan and grant applicants must own and occupy the property that needs repairs.
- For more information, visit http://www.rurdev.usda.gov/rhs/sfh/brief_repairloan.htm .
- Rural Development Homepage: <http://www.rurdev.usda.gov/rbs/index.html>