



United States
Department of
Agriculture

Rural Development



RURAL DEVELOPMENT

Single Family Housing Programs

USDA's Housing Role and Mission



- Increase economic opportunity & improve the quality of life for people of rural America
- Finance well built, affordable and energy efficient housing
- Rural Development has been helping rural families purchase and repair homes since 1949
- In FY16, Rural Development in NY assisted 1998 families by providing \$217 million in loans, grants and loan note guarantees

Single Family Housing Programs



- **Section 502 (Direct) Single Family Housing Loans**
- **Section 502 Guaranteed Rural Housing Loans**
- **Section 504 Home Repair Loans and Grants**

SECTION 504 HOME REPAIR PROGRAM



Assist very-low income rural homeowners to make repairs to their homes to include energy efficiency measures and accessibility modification for individuals with disabilities



Section 504 Home Repair Loans

Program Highlights & Guidelines

- Repairs to improve or modernize home and/or to make the home accessible for household members with disabilities
- Maximum outstanding 504 loan amount is \$20,000 at any given time
- Interest rate is fixed at 1%
- Maximum term of 20 years (term and repayment is based upon a household budget)
- Mortgage is filed for loans of \$7,500 and over; promissory note only for loans less than \$7500

Section 504 Home Repair Grants

Program Highlights & Guidelines



- Maximum cumulative lifetime grant assistance is \$7,500.
- At least one applicant must be 62 years of age or older.
- Grant funds must be used to make repairs that will remove health and safety hazards or to make the home accessible and useable for household members with disabilities.
- Must demonstrate a lack of repayment ability for a loan as determined by completion of a household budget.
- Grantee must sign Grant Agreement requiring occupancy of home for three years. After three years, no repayment requirements.

Section 504 Home Repair Program

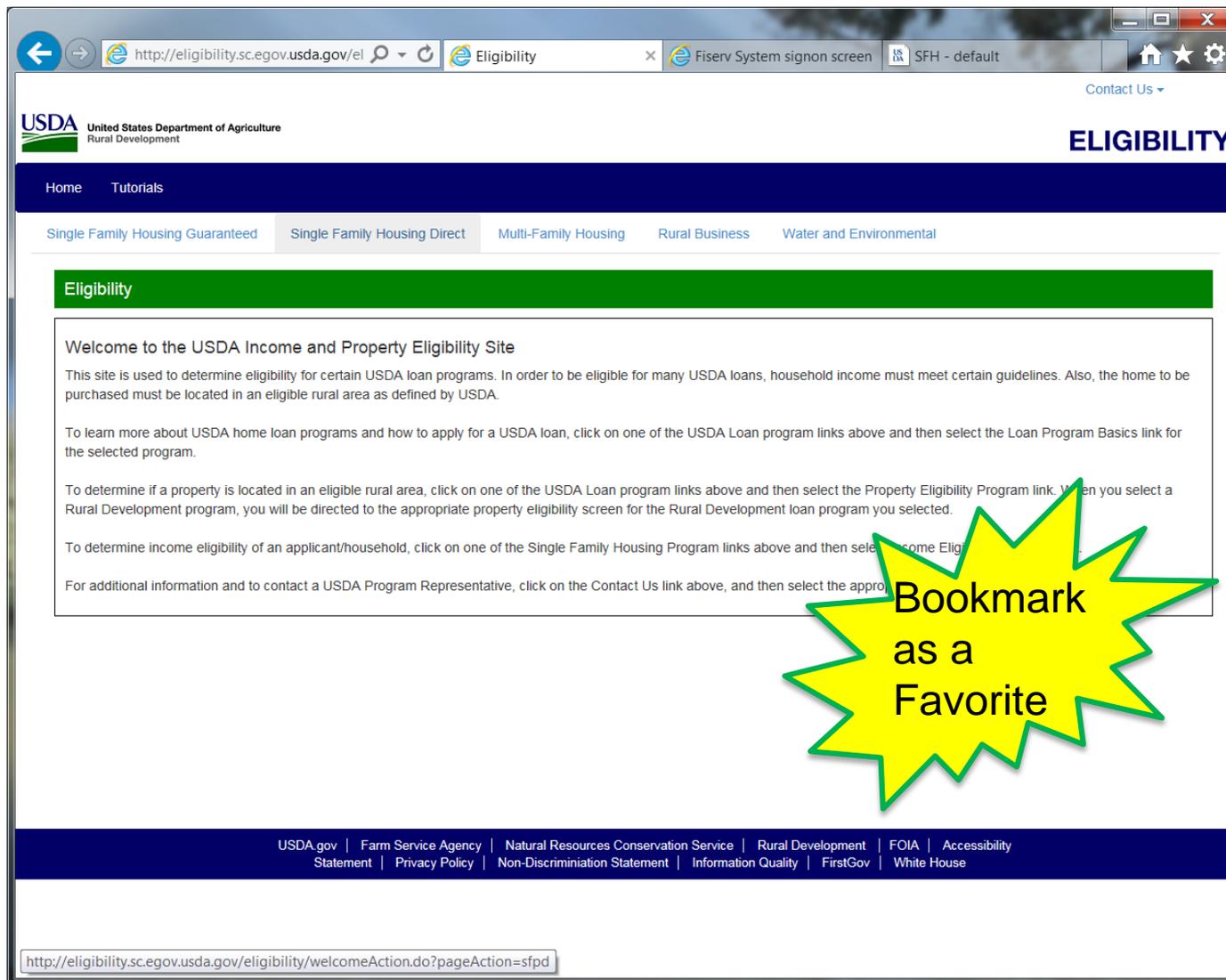


Eligibility Guidelines

- Household income - at or below the applicable very-low income limit for the county where home is located:
<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- Must own the home, site and occupy the property
- Demonstrate a willingness and history of paying debts/bills when due (loans)
- Asset Limitations (\$15K non-elderly; \$20K elderly)
- Property must be a modest single family dwelling and located in a RD designated rural area

Eligible areas:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>



The screenshot shows a web browser window displaying the USDA Eligibility website. The browser's address bar shows the URL <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. The website header includes the USDA logo and the text "United States Department of Agriculture Rural Development". The main navigation menu includes "Home" and "Tutorials". Below the navigation menu, there are several tabs: "Single Family Housing Guaranteed", "Single Family Housing Direct", "Multi-Family Housing", "Rural Business", and "Water and Environmental". The "Eligibility" tab is currently selected, and its content is displayed in a green box. The content of the "Eligibility" tab includes a welcome message and instructions on how to use the site to determine eligibility for USDA loan programs. A yellow starburst callout with a green outline is overlaid on the right side of the page, containing the text "Bookmark as a Favorite".

USDA United States Department of Agriculture Rural Development

ELIGIBILITY

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business Water and Environmental

Eligibility

Welcome to the USDA Income and Property Eligibility Site

This site is used to determine eligibility for certain USDA loan programs. In order to be eligible for many USDA loans, household income must meet certain guidelines. Also, the home to be purchased must be located in an eligible rural area as defined by USDA.

To learn more about USDA home loan programs and how to apply for a USDA loan, click on one of the USDA Loan program links above and then select the Loan Program Basics link for the selected program.

To determine if a property is located in an eligible rural area, click on one of the USDA Loan program links above and then select the Property Eligibility Program link. When you select a Rural Development program, you will be directed to the appropriate property eligibility screen for the Rural Development loan program you selected.

To determine income eligibility of an applicant/household, click on one of the Single Family Housing Program links above and then select the Income Eligibility link.

For additional information and to contact a USDA Program Representative, click on the Contact Us link above, and then select the appropriate link.

Bookmark as a Favorite

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<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>



http://eligibility.sc.egov.usda.gov/el

Eligibility

Fiserv System signon screen

SFH - default



Contact Us



Click on Property Eligibility

ELIGIBILITY

Home

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business Water and Environmental

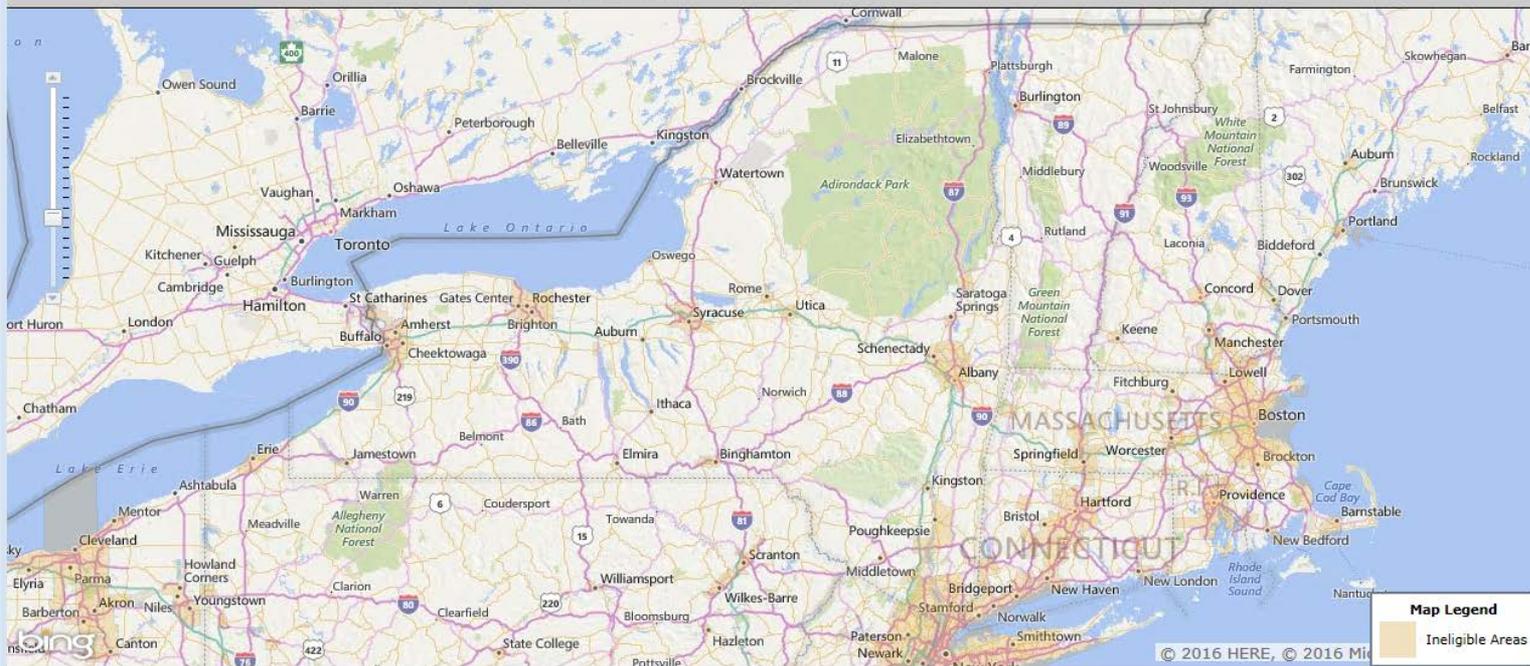
Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits Loan Basics

Find Your Address

GO!



Switch Basemap



HOME OWNERSHIP LOANS

502 Direct Single Family Housing Program



- Direct financing to very low to low income households (<80% of median income for area) to purchase a home in a rural area
- Funds to purchase or build a home
- No down payment requirements - 100% loan to value financing
- No Private Mortgage Insurance (PMI) required
- Interest Rate is fixed and payment assistance (subsidy) is available for many program participants. Subsidized interest rate can be as low as 1%, for qualifying applicants
- Standard loan term of 33 years (30 for manufactured home)
- Dwelling must be modest (minimal acreage, must not be designed for income producing purposes, cannot have in ground pool, farm out buildings, or a value that exceeds limit for area)



Section 502 Home Ownership Loans

Applicant Eligibility Guidelines

- Applicant must have stable and dependable income
- Household income - at or below the applicable low income limit for the county applicant wishes to purchase a home:
<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- Have an acceptable credit history
- Agree to occupy the dwelling on a permanent basis
- Meet citizenship or eligible non-citizen requirements
- Demonstrate willingness and ability to repay the loan

Where To

Free Pre-Qualification Review by USDA

- Use unverified and preliminary information to evaluate the likelihood a potential applicant may be eligible for USDA home purchase or repair assistance
- Explain in detail the application process
- Calculate *estimated* repayment ability / qualifying loan amount
- Encourage early completion of homeownership education (required for home purchase only)
- Credit counseling and/or refer to a more formalized credit counseling service provider
- Contact your local USDA Rural Development Area Office
<https://www.rd.usda.gov/contact-us/state-offices/ny>
- RD Area Office servicing Jefferson, Lewis and Oswego Counties:
USDA Rural Development
PO Box 838
21168 NYS Route 232
Watertown, NY 13601
(315) 782-7289, Ext. 4

My client's income is too high for the 502 Direct Loan program, but they still want to own their own home.



Do you have a program for them?

HOME OWNERSHIP LOANS

Yes We Do! Guaranteed Rural Housing Program



- Available to low and moderate income households
- Loans originated, underwritten, closed, owned and serviced by an approved RHS participating lender
- USDA “guarantees” lender up to 90% of the original loan amount
- Finance new construction or the purchase of an existing single family home in designated rural areas
- No PMI, but up front guarantee fee 1% and annual fee of .35% average unpaid principal balance

Guaranteed Rural Housing Loans

Customer Benefits and Highlights



- 100% financing with no down payment required
- Eligible repairs and closing costs may be included in the loan up to the appraised value of the property.
- 30 year loans with fixed interest rates
- No prepayment penalties
- Satisfactory credit and qualifying ratios apply - 29% & 41% (ratios may be exceeded with compensating factors & credit score of 680) Nontraditional credit histories can be considered
- Upfront guarantee fee may be included in the loan above the appraised value – 101% LTV.
- Down payment assistance, seller concessions, gift funds or affordable grant programs can be partnered with USDA loan note guarantee.
- Low cost streamlined new construction financing

Where To

Contact a USDA Approved GRH Lender

- Most lenders will provide a pre-approval at no cost to help determine likelihood of eligibility before applying for a GRH loan
- Calculate estimated repayment ability / loan amount
- Provide credit analysis or refer to a more formalized credit counseling service provider if necessary
- A listing of active participating USDA lenders available by contacting USDA Rural Development:

<https://www.rd.usda.gov/contact-us/state-offices/ny>



United States Department of Agriculture

Changing Lives – One Home At a Time



Please visit our websites:



<http://www.rd.usda.gov/ny> - RD NY Main Site

<http://eligibility.sc.egov.usda.gov/eligibility/eligibilityAction.do> - Property & Income Eligibility

<http://www.rurdev.usda.gov/regs/>
Forms & Handbooks



United States Department of Agriculture

For more information contact:

Watertown Area Rural Development Office
315-782-7289 – Option 4
TDD: (315) 477-6447

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