



Single Family Home Loan Guarantees

What does this program do?

This program assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas. Eligible applicants may build, rehabilitate, improve or relocate a dwelling in an eligible rural area. The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.

Who may apply for this program?

Applicants must:

- Meet income-eligibility.
- Agree to personally occupy the dwelling as their primary residence.
- Be a U.S. Citizen, U.S. non-citizen national or Qualified Alien.
- Have the legal capacity to incur the loan obligation.
- Have not been suspended or debarred from participation in federal programs.
- Demonstrate the willingness to meet credit obligations in a timely manner.
- Purchase a property that meets all program criteria.

What is an eligible area?

Check eligible addresses for the loan guarantees.

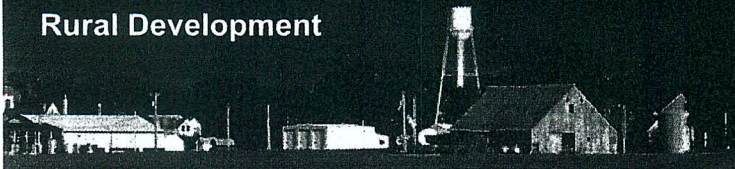
How may funds be used?

Funds backed by loan guarantees be used for:

- New or existing residential property to be used as a permanent residence. Closing cost and reasonable/customary expenses associated with the purchase may be included in the transaction.
- A site with a new or existing dwelling.
- Repairs and rehabilitation when associated with the purchase of an existing dwelling.
- Refinancing of eligible loans.
- Special design features or permanently installed equipment to accommodate a household member who has a physical disability.
- Reasonable and customary connection fees, assessments or the pro rata installment cost for utilities such as water, sewer, electricity and gas for which the buyer is liable.
- A pro rata share of real estate taxes that is due and payable on the property at the time of loan closing. Funds can be allowed for the establishment of escrow accounts for real estate taxes and/or hazard and flood insurance premiums.
- Essential household equipment such as wall-to-wall carpeting, ovens, ranges, refrigerators, washers, dryers, heating and cooling equipment as long as the equipment is conveyed with the dwelling.
- Purchasing and installing measures to promote energy efficiency (e.g. insulation, double-paned glass and solar panels.)
- Installing fixed broadband service to the household as long as the equipment is conveyed with the dwelling.
- Site preparation costs, including grading, foundation plantings, seeding or sod installation, trees, walks, fences and driveways.

How do we get started?

Applicants must contact an approved lender. Information about approved lenders may also be obtained by contacting a Guaranteed Loan Coordinator in your state for more information.



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Who can answer questions?

Applicants with questions should contact an approved lender. Lenders with questions can contact a Guaranteed Loan Specialist in your state.

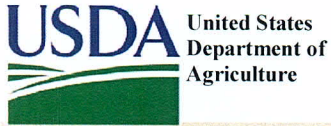
What governs this program?

7 CFR, Part 3555

Why does USDA Rural Development do this?

This program helps lenders work with low and moderate income families living in rural areas to make homeownership a reality. Providing affordable homeownership opportunities promotes prosperity, which in turn creates thriving communities and improves the quality of life in rural areas.

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact your local office for assistance. You will find additional forms, resources, and program information at www.rfd.usda.gov. *USDA is an equal opportunity provider, employer, and lender.*



USDA: RURAL DEVELOPMENT

504 HOME REPAIR LOAN / GRANT PROGRAM

SERVICE AREA:

Oneida

Herkimer

Madison

Section 504 Grants:

- ◆ \$7,500 maximum lifetime grant assistance to any recipient.
- ◆ Must be 62 years of age or older at application.
 - ◆ Unable to show repayment ability for a 504 loan.
 - ◆ Owner occupied property in an eligible area.

Section 504 Loans:

- ◆ Fixed 1% interest rate
- ◆ Outstanding 504 loan balance not to exceed \$20,000
- ◆ Maximum 20 year term-determined by repayment ability
 - ◆ Owner occupied property in an eligible area.

Rural Development

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Phone: (315) 736 3316 x4

Fax: (855) 558 7596

www.rurdev.usda.gov/ny

Program Objective:

Assist very low-income owner occupants of modest single family homes in rural areas repair their homes.

Grant Purposes:

Grant funds may be used *only* for repairs and improvements that will remove health and safety hazards or to make dwellings accessible for household members with disabilities.

Loan Purposes:

Loan funds may be used to remove health and safety hazards and make general repairs and improvements to properties, as long the dwelling remains modest for the area.

Terms & General Eligibility Requirements

504 Grant

- ◆ At least one applicant must be 62 years of age or older at the time of application.
- ◆ Must be unable to repay a 504 Loan (amortized over the maximum number of years).
- ◆ Applicant must have acceptable ownership (to include life estate) and occupy the property.
- ◆ The adjusted household income may not exceed the limit for your area. See next page.
- ◆ Unable to obtain financial assistance at reasonable terms and conditions elsewhere and lack the personal resources to meet their needs.
- ◆ Grant Agreement requires recipient to reside in household for three years after approval or else grant funds must be repaid

504 Loan

- ◆ Applicant must have acceptable ownership (to include life estate) and occupy the property.
- ◆ Applicant must have repayment ability - determined by a household budget completed with a Rural Development representative.
- ◆ The adjusted household income may not exceed the limit for your area. See next page.
- ◆ Unable to obtain financial assistance at reasonable terms and conditions elsewhere and lack the personal resources to meet their needs.
- ◆ Must have an acceptable credit history.
- ◆ Outstanding 504 loans of \$7,500 or more will be secured by a mortgage.
- ◆ Fixed interest rate of 1%

Dwelling Requirements

- ◆ The property must be a single family dwelling located in an eligible rural area.
- ◆ The property must be considered modest and you must own the land.
- ◆ No in-ground swimming pools.



USDA is an equal opportunity provider and employer.

