

SINGLE FAMILY HOUSING REPAIR LOANS & GRANTS

Rural Development Program and Rural Housing Services

United States Department of Agriculture (USDA)

PURPOSE

The USDA Rural Development Program, Rural Housing Services offers a variety of programs ranging from new construction to home repair, including the Single Family Housing Repair Loans and Grants program. They offer the Guaranteed Program, the Direct Program, the 504 Loan/Grant Program.

CONTACT

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<http://www.rd.usda.gov/programs-services/single-family-housing-repair-loans-grants>

FINANCIAL CRITERIA FOR THE 504 LOAN/GRANT

- Adjusted income cannot exceed the very low income level (50% of county median).

ELIGIBILITY

- The home must be owner-occupied;
- must be unable to obtain affordable credit elsewhere and must have very low income;
- the funds are needed for repairs and improvements to make the dwelling more safe and sanitary or to remove health and safety hazards; and
- grants are only available to homeowners who are 62 years or older and unable to repay a loan.

AT SERVICES PROVIDED/COVERED

- No AT services are provided or covered.

AT DEVICES PROVIDED/COVERED



Home Modifications (includes ramps)

APPLICATION PROCESS

- Contact the local Oklahoma Rural Development office nearest you to apply for services.
- In the initial interview, the USDA staff will assist you in obtaining the needed information to complete the application.

DISPUTE RESOLUTION PROCESS

- Any applicant has the right to appeal an adverse decision. To file a complaint of discrimination, write to the USDA, Director, Office of Civil Rights, 1400 Independence Ave., SW, Washington, DC 20250-9140 or call (800) 795-3272 (V) or (202) 720-6382 (TDD).

PIECES OF THE PUZZLE

- Funds that are available for the Housing Repair Loan and Grant Program can be very limited and may not be available until the next funded year. An individual may be placed on a waiting list to receive the funds.
- 504 loans and grants can be made in rural areas. If an area was classified as rural prior to 10/01/1990, even if it is within a Metropolitan Statistical Area (MSA), it may still be considered rural as long as it:
 - has a population between 10,000 and 35,000,
 - is rural in character, and;
 - has a serious lack of mortgage credit.



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- Construction and environmental standards include:
 - repairs to the home must comply with local codes and ordinances;
 - all major health and safety hazards must be removed upon completion of the work;
 - repairs are not limited to handicap accessibility features;
 - lead base paint requirements apply for all dwellings built prior to January 1, 1978;
 - National Flood Insurance must be provided for any property located within designated special flood hazard areas;
 - homeowner will find and select a qualified contractor; and
 - repairs can be made to mobile homes provided the applicant owns the home and the site and the repairs are needed to remove health or safety hazards. The home must also be on a permanent foundation (or be placed on a permanent foundation with 504 funds).
- If a house is in such disrepair that it is not decent, safe or sanitary, assistance will not be considered.
- Under the Single Family Housing Loan and Grant Program loans up to \$20,000 and grants up to \$7,500 are available. Loans can be for a term of 20 years. A real estate mortgage and full title services are required for loans of \$7,500 or more.
- Under the Single Family Housing Loan and Grant Program, grants may be recaptured if the property is sold in less than 3 years. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A loan/grant combination is made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in assistance.
- The *Guaranteed Program* is designed for the purchase of a single family residence, refinance construction loans to permanent financing, refinance your existing Rural Deveopment Guaranteed or Direct loan to lower the interest rate and/or extend the term. Your income cannot exceed the moderate income limit. Application is made through an approved lender or a mortgage broker that works with an approved lender. 100% financing is available.
- The *Direct Program* will aid you in the qualified purchase of a single family residence. This requires a stable source of income and a workable credit history. Your household income cannot exceed the low income level. These limits vary by county. The *Direct Program* financing is from the USDA Rural Housing Service and is a fixed interest rate with a 33 year loan term. 100% financing is also available.
- The *504 Loan/Grant Program* has allowed numerous homeowners to remove health and safety hazards from their existing dwelling. The purpose of this program is to repair or modernize your home. Grants are available to make health and safety repairs to homes for homeowners who are at least 62 years of age and cannot afford a loan. The individual must be considered very-low income in order to be eligible for this program. Again, these limits vary depending on the county where you live and can be viewed by visiting the website.