Connecting the Dots to Homeownership on Indian Reservations
USDA Rural Development

**Business Programs**
- Guaranteed Business and Industry Loans
- Loans/Grants for small businesses and value added products

**Community Programs**
- Water/Waste Projects
- Funding for facilities which meet the basic needs of a community – everything from health/safety to cultural programs
- Telecommunications
USDA Rural Development
Multi-Family Housing

• Farm Labor Housing (Section 514)
  – Construct, improve or repair housing for farm laborers

• Rural Rental Housing Guaranteed Loans (Section 538)
  – Agency guarantee on conventional credit loan to construct, acquire, or rehab rural multi-family housing dwellings

• Rural Rental Housing (Section 515)
  – Agency direct loans to provide affordable multi-family rental housing

• Housing Preservation Grants (Section 533)
  – Grant funds to repair multi-family property or groups of individual homeowners property.
USDA Rural Development
Single-Family Housing 502 Direct Loans

• Provide home-ownership opportunities in rural areas to households with incomes at or below 80% of median area income.

• Loans may be used to purchase, build, improve, or repair rural homes.

Self-help housing in Gervais, Oregon, built with technical assistance from Community Homebuilders.
USDA Rural Development
Single-Family Housing 502 Direct Loans

Terms:

• No down payment
• Repayment ability based on debt to income ratios
• Acceptable credit
• Loans are typically 33 years (30 years for manufactured homes)
• Interest rate set by Rural Development
• Payments subsidized based on household income
• Subsidy granted subject to recapture
USDA Rural Development
Single-Family Housing 502 Direct Loans

• Properties must be located in a rural area, generally communities of up to 35,000 not connected to a metropolitan area.

• The total cost of the dwelling (typically up to 1800 square feet) cannot exceed the applicable Area Loan Limit.

• The following web site can be used to determine both applicant income and property eligibility:
  http://eligibility.sc.egov.usda.gov/eligibility
Additional Partnerships

• Rural Development funding can be combined with other programs to make the loan more affordable
  – Habitat for Humanity
  – Local Housing Authorities
  – Community Action Council
  – Other funders

• Housing Program
  – Grants are awarded to provide technical assistance to families in construction a new home. Grant funds may pay salaries, rent, and office expenses.
USDA Rural Development
Section 502 Guaranteed Loan Program

- Home loan made by Evergreen Home Loans
- Guaranteed by USDA Rural Development
USDA Rural Development
Section 502 Guaranteed Loan Program

• Assist moderate income households (at or below 115% of area income limit) purchase homes in rural areas.
• Funds may be used to purchase an existing home, build a new dwelling, or purchase a new manufactured home.
• Terms are negotiated between applicant and lender with a fixed rate 30 year amortization
• No down payment requirement
• 2% up-front guarantee fee; 0.5% annual fee
Approved lenders:

- Any State housing agency
- Lenders approved by HUD, VA, Fannie Mae, or Freddie Mac. Direct Farm Credit System lenders also qualify
- Any lender participating in certain other USDA guaranteed loan programs
USDA Rural Development
Section 504 Rural Housing Repair Loans/Grants

Funds may be used to:

• Assist very low-income (50% of median income), rural homeowners repair or improve their dwellings or remove health/safety hazards.
USDA Rural Development
Section 504 Rural Housing Repair Loans/Grants

• Loans of 20 years at 1% interest are considered first.

• Grants up to $7,500 are available to homeowners who are 62 years old or older and cannot repay all or a portion of a Section 504 loan.

504 grant recipient
USDA Rural Development
Section 504 Rural Housing Repair Repair Loans/Grants

• Loans and grants can be combined for up to $27,500 in Section 504 assistance (provided the applicant is grant eligible).

• Major health/safety issues must be corrected with repairs.

• 504 funds may be combined with other agencies’ funding sources (partnerships/leveraging is encouraged)
For more information about these or other Rural Development programs, please visit our website at:

http://www.rd.usda.gov/or

Or, contact us at:

Oregon Single Family Housing Assistance
866-923-5626