



United States Department of Agriculture

Rural Development

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

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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.

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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



Home financed with the 502 Direct program

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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**

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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



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Section 502 Guaranteed Loan Program

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

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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.



BEFORE



AFTER

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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

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Section 504 Rural Housing 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



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