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## Housing Programs

USDA Rural Development housing programs work to improve the quality of life for rural Americans by ensuring that they have access to safe, well-built, affordable homes. A house is more than a roof over our heads; it is often the foundation upon which rests our ability to live near good jobs and to gain access to good schools and other public services.

Homeownership builds economic stability and, over the long term, creates equity to finance education, business startups and retirement. USDA thus not only helps rural people acquire homes, it helps build better lives and communities.

The direct and indirect impacts of housing development and rehabilitation reverberate throughout the Nation. Residential construction and rehabilitation stimulate various manufacturing and trade industries and related professional services. Housing activity also benefits the larger economy as wages are earned and spent by those directly involved in housing development.

### **Homeownership Loans**

Rural Development's housing programs finance new or improved housing for very low- to moderate-income families and individuals who wish to live in rural areas or rural cities and towns. The purpose is to provide financing with no downpayment and at favorable rates and terms. These loans are for the purchase, construction, rehabilitation, or relocation of a dwelling and related facilities.

Two types of homeownership loans are offered: guaranteed and direct loans. Under the direct loan program, individuals or families receive a loan directly from USDA. Payments are based on income, and you must be unable to obtain a homeownership loan from a bank or other conventional sources.

Guaranteed loans are available to qualifying applicants who would not be able to get a conventional loan without the loan guarantee. These are loans made by other lenders, such as banks or credit unions, and are guaranteed by Rural Development.

### **Self-Help Housing**

Many rural families have achieved the American dream of owning their own homes through USDA's Mutual Self-Help Housing program.

Self-Help Housing loans help groups of 6 to 10 low-income families build their own homes by providing materials and the skilled labor they cannot furnish themselves. The families must agree to work together until all homes are finished.

Self-Help works in combination with a grant program to nonprofit organizations and the direct single family lending program, although other home financing sources can be used. The nonprofits help families build their houses by providing technical assistance.

### **Rural Rental Housing Loans**

Apartment living is often an alternative for people who cannot afford the purchase price and maintenance costs of their own individual house. Rural Rental Housing loans are made to finance building construction and site development of multi-family living quarters for people with low, very low, and moderate incomes. Some units are reserved for people aged 62 and over. Loans can be made in this program to construct housing that will be operated in cooperative form, but loan funds may not be used to finance individual units within the project.

## **Home Improvement Loans and Grants**

Home Improvement and Repair Loans and Grants enable very low-income rural homeowners to remove health and safety hazards from their homes and to make homes decent, safe, sanitary, and accessible for people with disabilities.

Loans are available to very low-income rural homeowners to make substantial home repairs when other loan options are not available.

For seniors age 62 and older who cannot afford a loan, grant funds are available for these repairs.

## **Site Loans**

Rural Housing Site Loans buy adequate building sites for development of a desirable community by private or public nonprofit organizations.

## **Farm Labor Housing**

Housing conditions for farm laborers lag far behind those for other Americans. USDA Rural Development serves as the only national source of construction funds for dedicated farm labor housing through its Farm Labor Housing loan and grant programs.

Farm Labor Housing Loans and Grants enable farmers, public or private nonprofit organizations, and units of State and local governments to build, buy, or repair farm labor housing in either dormitory or multifamily apartment style. And they can help pay for important facilities, such as on-site child-care centers.

## **Housing Preservation Grants**

Housing Preservation grants are used to renovate deteriorating homes and rental properties occupied by families whose incomes fall into the low and very-low categories. Nonprofits, local governments, and Native American tribes can receive grants to repair these properties and bring them up to code.

These grants are almost always used in conjunction with funds from other sources, including local and State governments and grants from private businesses. This means that taxpayer dollars go further and accomplish more than would otherwise be possible.

## **Housing Subsidies**

Housing Programs can help subsidize monthly mortgage and rental payments, limiting these costs to no

more than 30 percent of the adjusted monthly income of the applicant.

These subsidies are not available as a separate component but apply only to the direct homeownership, rural rental and farm labor programs described above.

## **Information and Applications**

Detailed information and applications for financial assistance are available through State and local offices of USDA Rural Development.

Or you may contact the National Office at:

USDA Housing Programs  
Stop 0780  
1400 Independence Avenue, SW  
Washington, D.C. 20250-0780  
Telephone: (202) 720-5177 (single-family home programs)  
(202) 720-3773 (multi-family home programs)  
Fax: (202) 690-3025  
website: <http://www.rurdev.usda.gov/rhs/>

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