



Single Family Housing Programs

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Washington, DC February 9, 2020

 Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Rural Development

Programs and Services for Individuals

- SFH Direct Home Loans
- SFH Guaranteed Loan Program
- SFH Housing Repair Loans & Grants



USDA Rural Development

USDA Rural Development operates over fifty financial assistance programs for a variety of rural applications.

Under the Rural Housing Service the Single Family Housing programs include:

- [Mutual Self-Help Housing Technical Assistance Grants](#)
- [Single Family Housing Direct Home Loans](#)
- [Single Family Housing Home Loan Guarantees](#)
- [Single Family Housing Repair Loans & Grants](#)
- [Rural Housing Site Loans](#)



USDA Rural Development

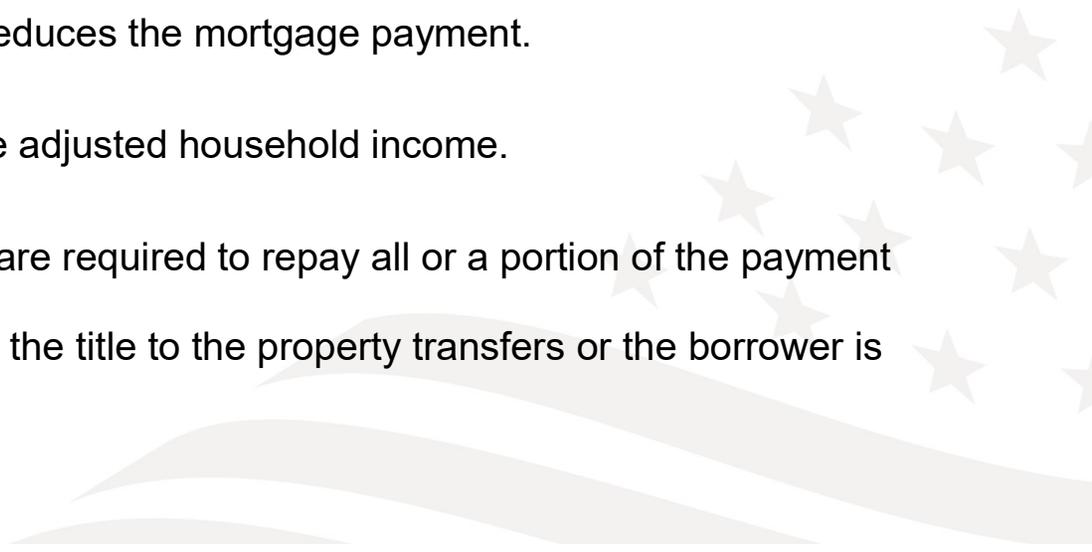
For all of the housing loan programs offered by Rural Development, there are two primary qualifications:

- 1) The property must be located in an eligible rural area
- 2) The applicant must be income eligible



SFH Direct Home Loans

This program assists low and very-low income applicants obtain decent, safe, and sanitary housing in eligible rural areas.

- Provides payment assistance to increase an applicant's repayment ability.
 - Payment assistance is a type of subsidy that reduces the mortgage payment.
 - The amount of assistance is determined by the adjusted household income.
 - Payment assistance is not a grant. Borrowers are required to repay all or a portion of the payment subsidy received over the life of the loan when the title to the property transfers or the borrower is no longer living in the dwelling.
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SFH Direct Home Loans

A number of factors are considered when determining an applicant's eligibility for Single Family Direct Home Loans. First and foremost, applicants interested in obtaining a direct loan must have:

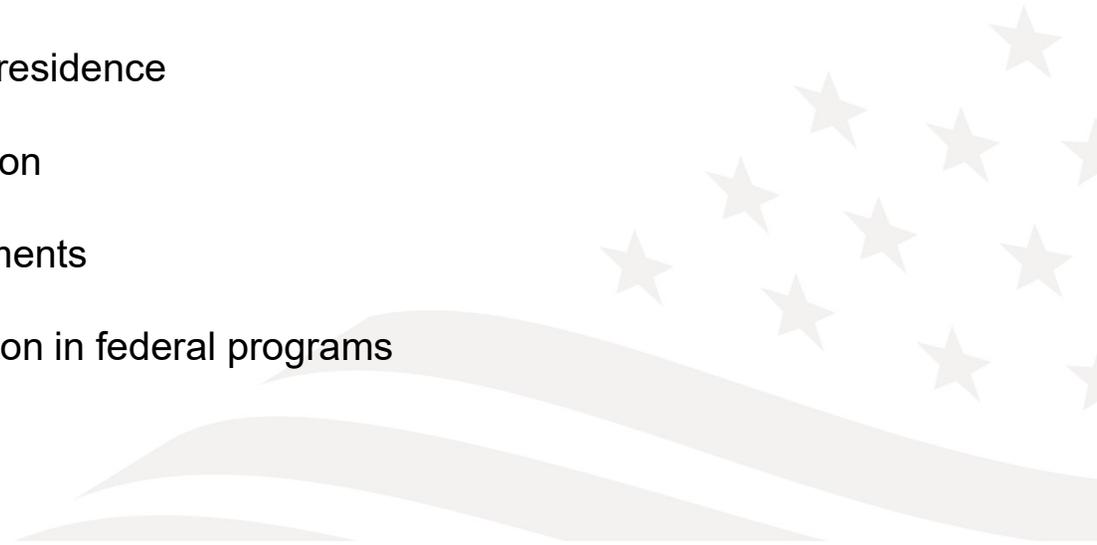
- ✓ Adjusted household income that is at or below the applicable low-income limit
- ✓ Demonstrate a willingness and ability to repay debt.



SFH Direct Home Loans

Applicants must:

- Be without decent, safe and sanitary housing
- Be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to meet
- Agree to occupy the property as their primary residence
- Have the legal capacity to incur a loan obligation
- Meet citizenship or eligible noncitizen requirements
- Not be suspended or debarred from participation in federal programs



SFH Direct Home Loans

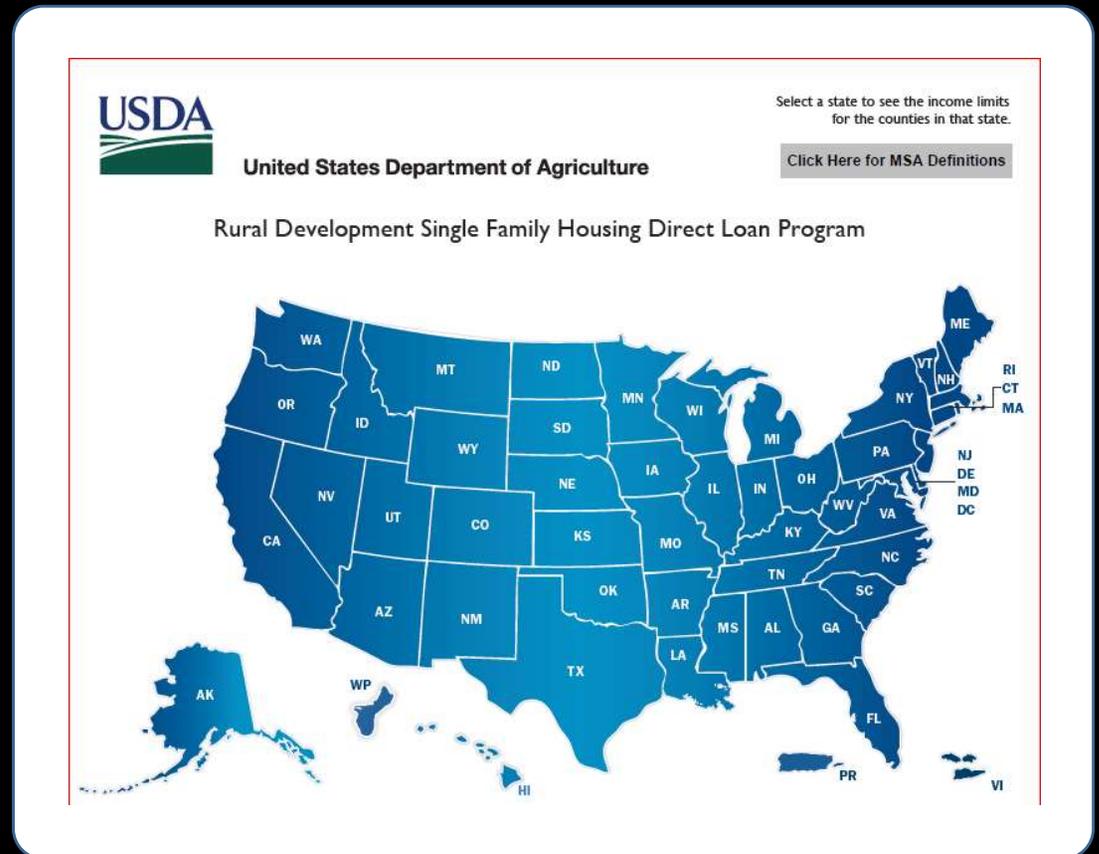
Properties financed with direct loan funds must:

- Generally be 2,000 square feet or less
- Not have market value in excess of the applicable area loan limit
- Not have in-ground swimming pools
- Not be designed for income producing activities



SFH Direct Home Loans

- Applicants must meet [income eligibility](#) for a direct loan.
- See the eligibility website <https://www.rd.usda.gov/sites/default/files/RD-DirectLimitMap.pdf>



SFH Direct Home Loans

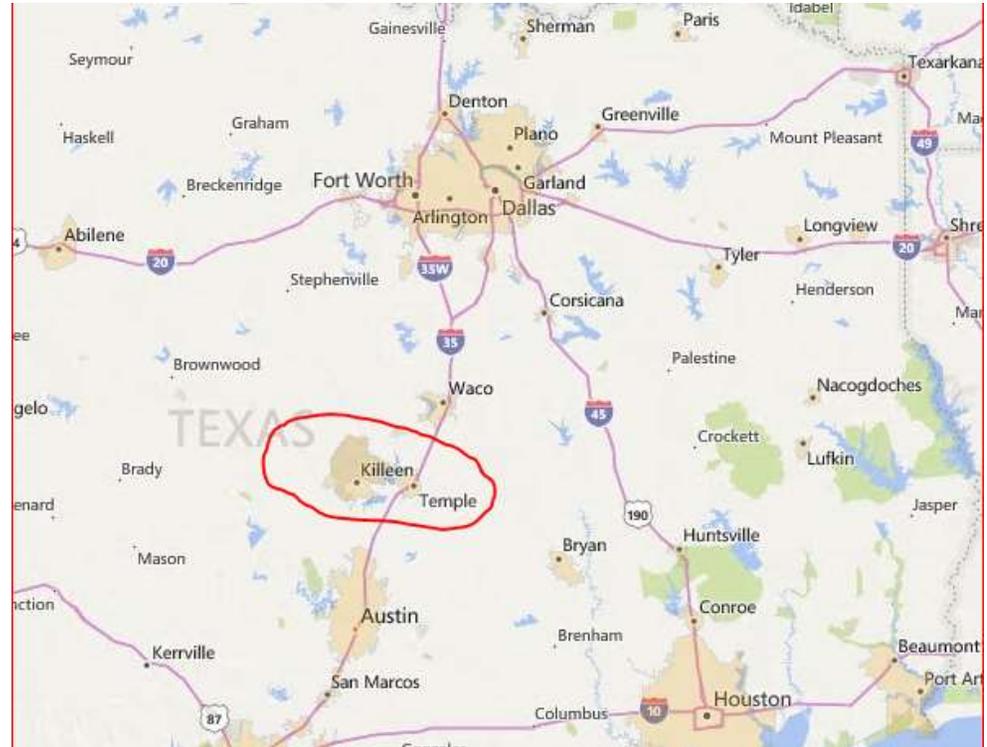
HB - 1 -3550, APPENDIX 9
STATE: TEXAS

PROGRAM	ADJUSTED INCOME LIMITS							
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON*
Abilene, TX MSA								
GRANT INCOME	13250	15100	17000	18850	20400	21900	23400	24950
VERY LOW INCOME	31450	31450	31450	31450	41550	41550	41550	41550
LOW INCOME	50300	50300	50300	50300	66400	66400	66400	66400
MODERATE INCOME	86850	86850	86850	86850	114650	114650	114650	114650
38 YEAR TERM	37750	37750	37750	37750	49850	49850	49850	49850
Amarillo, TX MSA								
Amarillo, TX HUD Metro FMR Area								
GRANT INCOME	15050	17200	19350	21500	23200	24950	26650	28400
VERY LOW INCOME	35800	35800	35800	35800	47300	47300	47300	47300
LOW INCOME	57300	57300	57300	57300	75650	75650	75650	75650
MODERATE INCOME	86850	86850	86850	86850	114650	114650	114650	114650
38 YEAR TERM	42950	42950	42950	42950	56750	56750	56750	56750
Oldham County, TX HUD Metro FMR Area								
GRANT INCOME	14750	16850	18950	21050	22750	24400	26100	27800
VERY LOW INCOME	35050	35050	35050	35050	46300	46300	46300	46300
LOW INCOME	56100	56100	56100	56100	74050	74050	74050	74050
MODERATE INCOME	86850	86850	86850	86850	114650	114650	114650	114650
38 YEAR TERM	42850	42850	42850	42850	56550	56550	56550	56550
Austin-Round Rock, TX MSA								
GRANT INCOME	19900	22700	25550	28400	30650	32950	35200	37450
VERY LOW INCOME	47300	47300	47300	47300	62450	62450	62450	62450
LOW INCOME	75500	75500	75500	75500	99650	99650	99650	99650
MODERATE INCOME	108550	108550	108550	108550	143300	143300	143300	143300
38 YEAR TERM	56750	56750	56750	56750	74950	74950	74950	74950
Beaumont-Port Arthur, TX MSA								
Beaumont-Port Arthur, TX HUD Metro FMR Area								
GRANT INCOME	13700	15650	17600	19550	21150	22700	24250	25850
VERY LOW INCOME	32600	32600	32600	32600	43050	43050	43050	43050
LOW INCOME	52150	52150	52150	52150	68850	68850	68850	68850
MODERATE INCOME	86850	86850	86850	86850	114650	114650	114650	114650
38 YEAR TERM	39100	39100	39100	39100	51650	51650	51650	51650
Newton County, TX HUD Metro FMR Area								
GRANT INCOME	12350	14100	15850	17600	19000	20450	21850	23250
VERY LOW INCOME	29350	29350	29350	29350	38750	38750	38750	38750
LOW INCOME	46950	46950	46950	46950	61950	61950	61950	61950
MODERATE INCOME	86850	86850	86850	86850	114650	114650	114650	114650
38 YEAR TERM	35200	35200	35200	35200	46500	46500	46500	46500

* ADD 8% OF 4 PERSON LIMIT FOR EACH PERSON IN EXCESS OF 8 PERSONS.

SFH Direct Home Loans

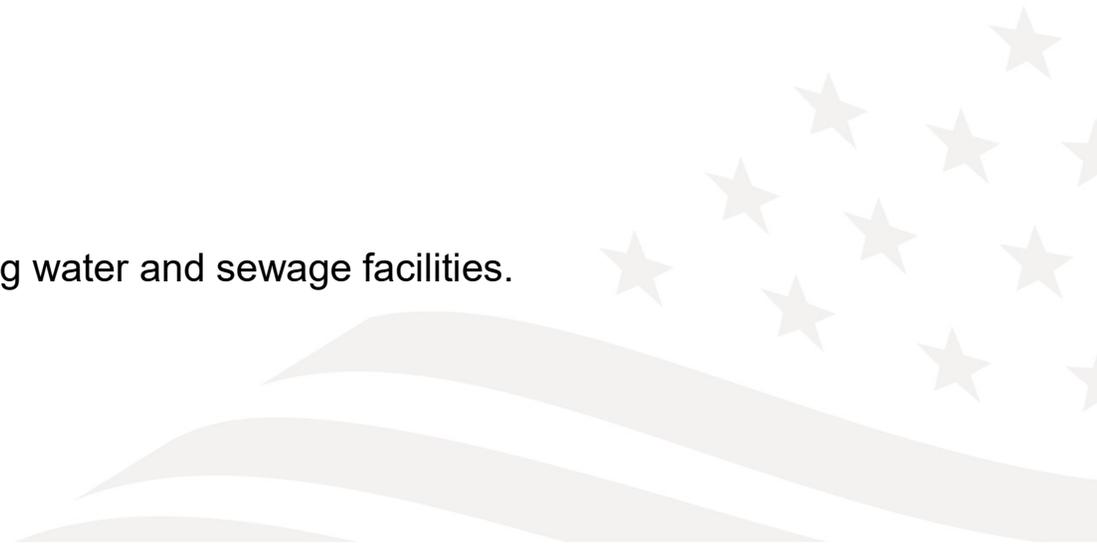
- The property must be located in an eligible rural area.
- ❖ Generally, rural areas with a population less than 35,000 are eligible. The eligibility website <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do> should be used to determine the property eligibility.



SFH Direct Home Loans

Loan funds can be used to:

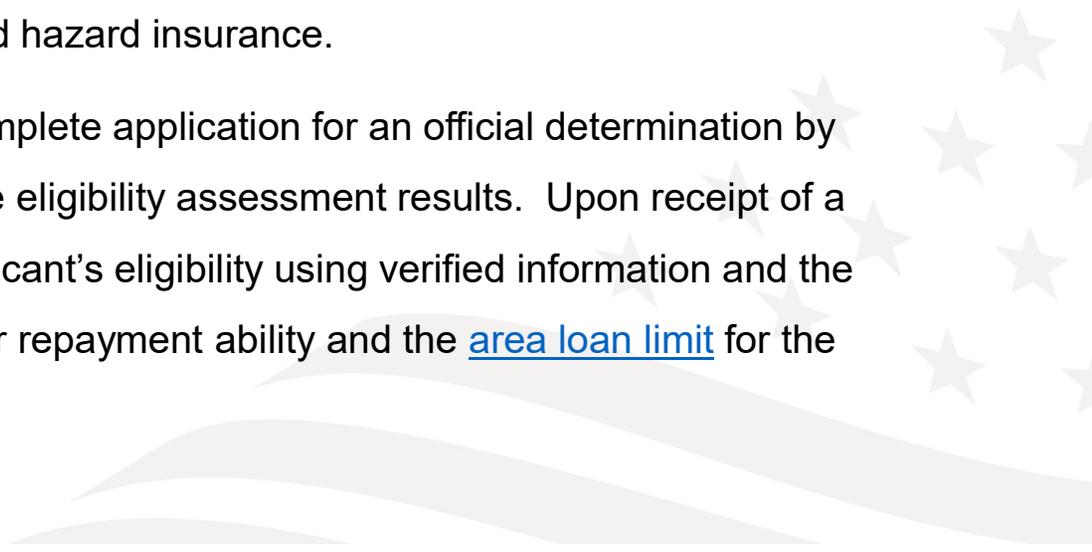
- purchase existing
- build new
- repair, renovate, or relocate a home
- purchase and prepare sites, including providing water and sewage facilities.



SFH Direct Home Loans

Using the [Single Family Housing Direct Eligibility Assessment tool](#), potential applicants may enter information online to determine if the Section 502 Direct Loan Program is a good fit for them prior to applying. The tool will provide a preliminary eligibility determination after a potential applicant enters information on their general household composition, monthly income, monthly debts, property location, estimated property taxes, and estimated hazard insurance.

Potential applicants are welcome to submit a complete application for an official determination by USDA Rural Development (RD) regardless of the eligibility assessment results. Upon receipt of a complete application, RD will determine the applicant's eligibility using verified information and the applicant's maximum loan amount based on their repayment ability and the [area loan limit](#) for the county in which the property is located.

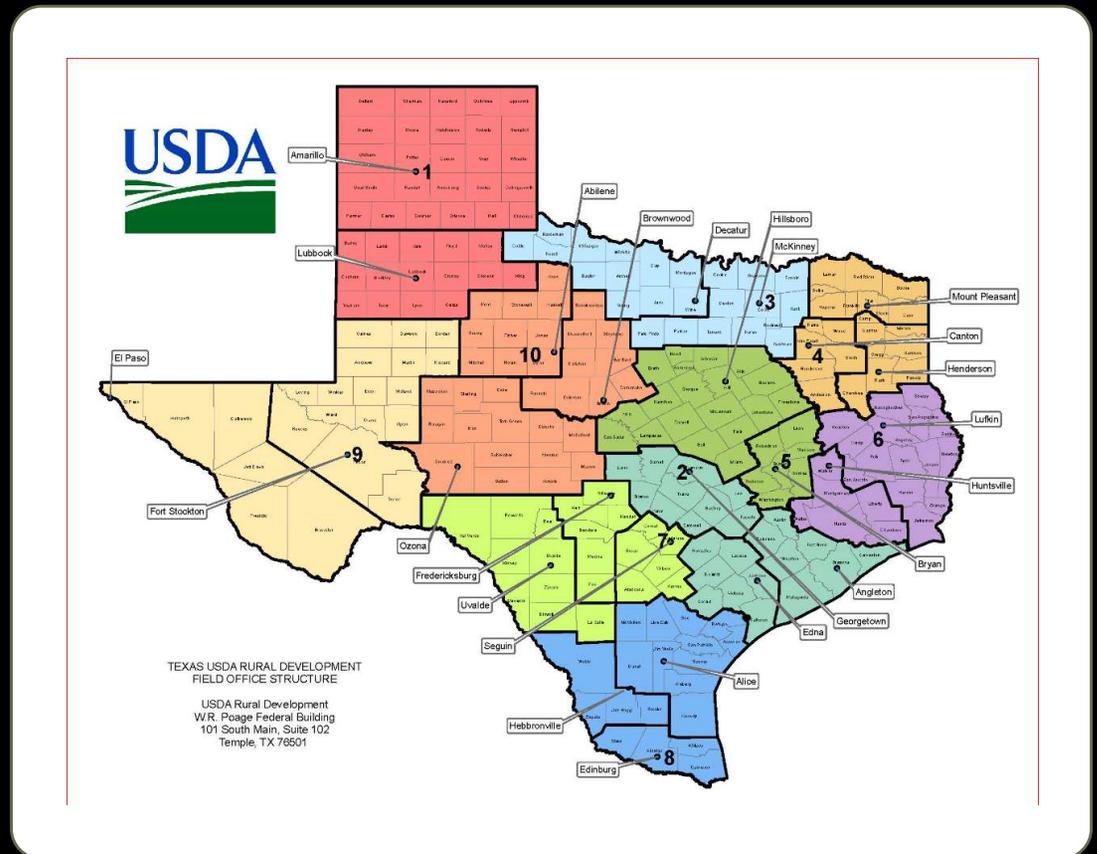


SFH Direct Home Loans

Applications for this program are accepted through the [local RD office](#) year round.

See handout for Area Offices in Texas or visit www.rd.usda.gov/tx

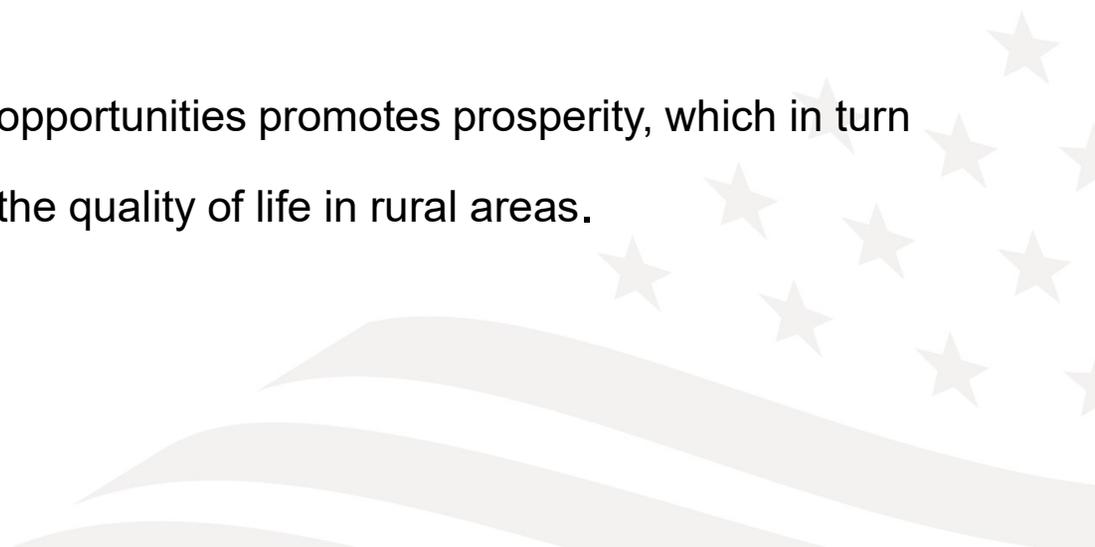
Processing times vary depending on funding availability and program demand in the area in which an applicant is interested in buying and completeness of the application package.



SFH Direct Home Loans

USDA Rural Development's Section 502 Direct Loan Program provides a path to homeownership for low- and very-low-income families living in rural areas, and families who truly have no other way to make affordable homeownership a reality.

Providing these affordable homeownership opportunities promotes prosperity, which in turn creates thriving communities and improves the quality of life in rural areas.

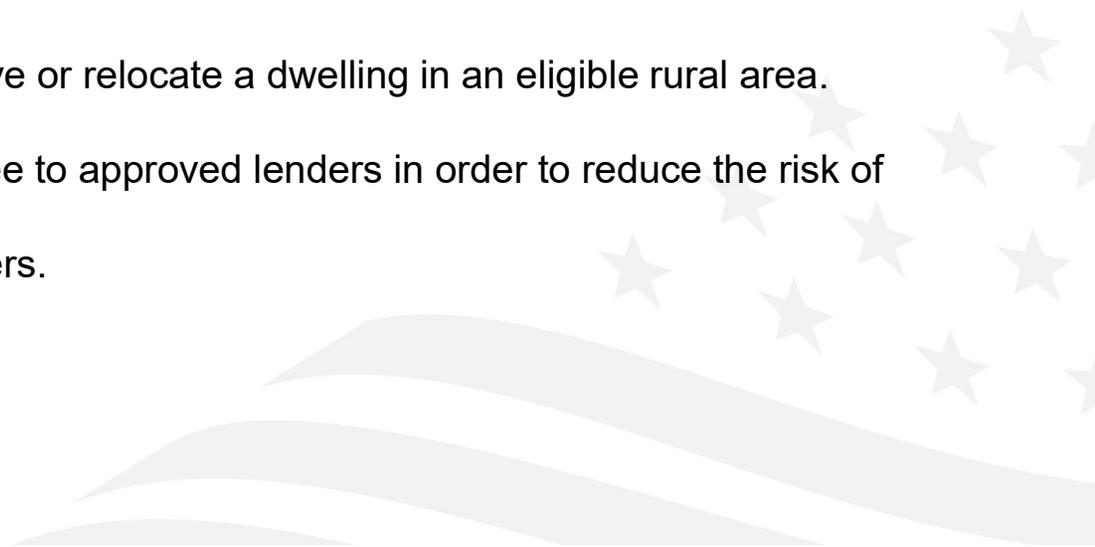


SFH Guaranteed Loan Program

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.

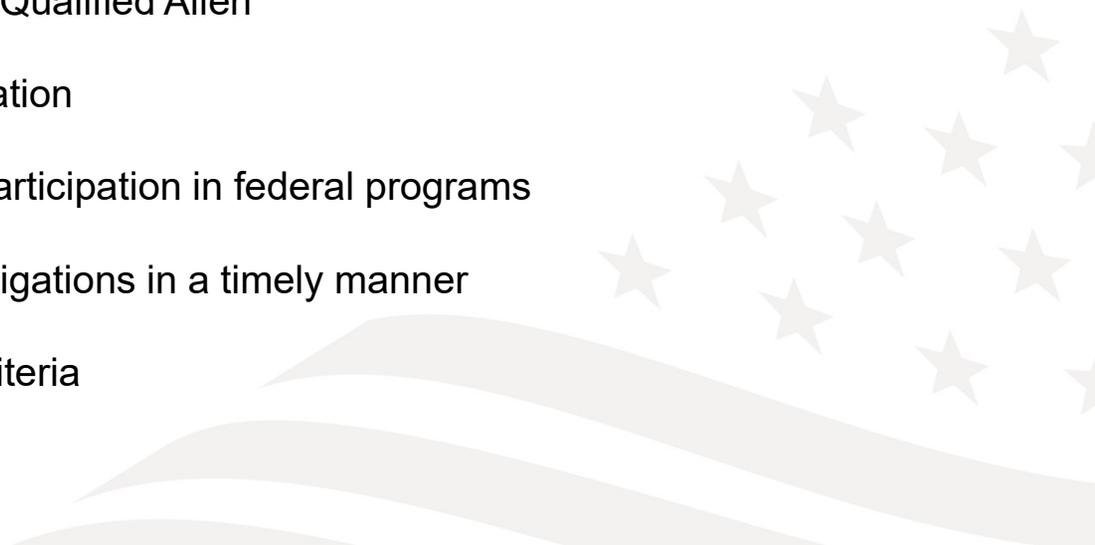
The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.



SFH Guaranteed Loan Program

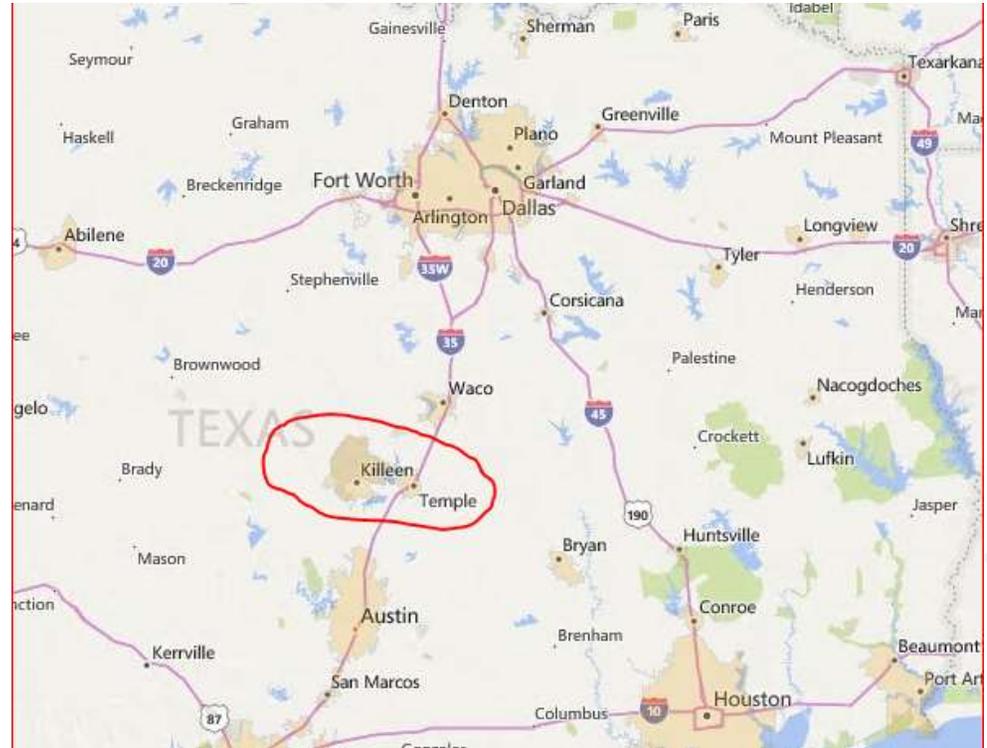
Eligible applicants must:

- Meet [income-eligibility](https://eligibility.sc.egov.usda.gov/eligibility/). See the eligibility website <https://eligibility.sc.egov.usda.gov/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



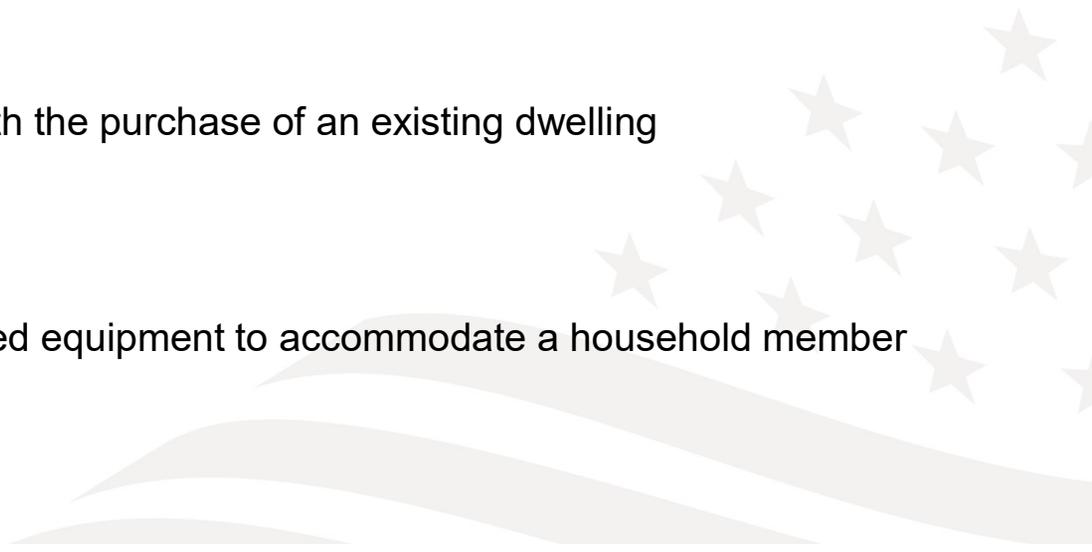
SFH Guaranteed Loan Program

- The property must be located in an eligible rural area.
- ❖ Generally, rural areas with a population less than 35,000 are eligible. The eligibility website <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do> should be used to determine the property eligibility.



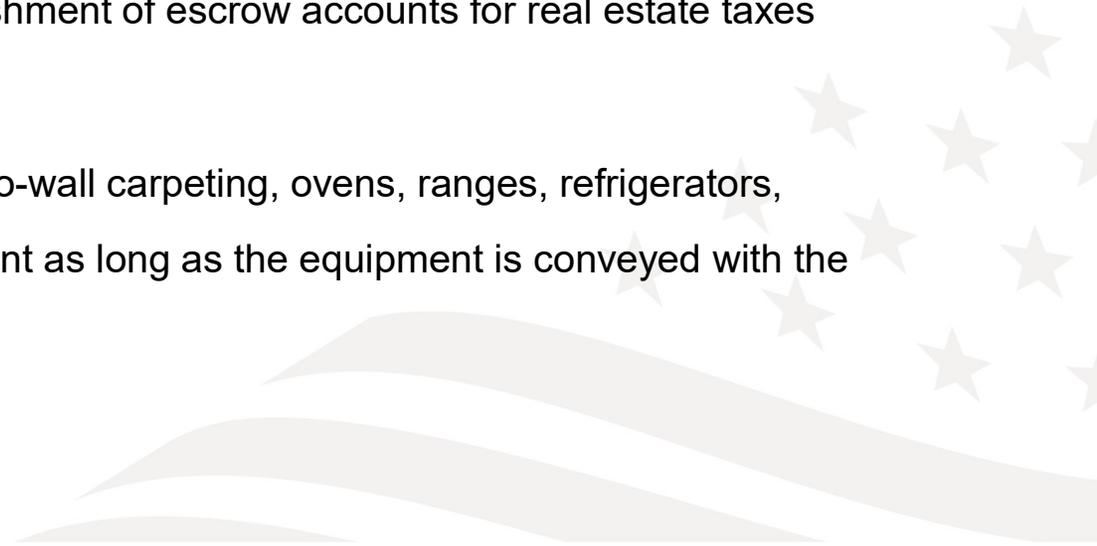
SFH Guaranteed Loan Program

Funds backed by loan guarantees may be used for:

- New or existing residential property to be used as a permanent residence. Including closing cost and reasonable/customary expenses associated with the purchase
 - 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
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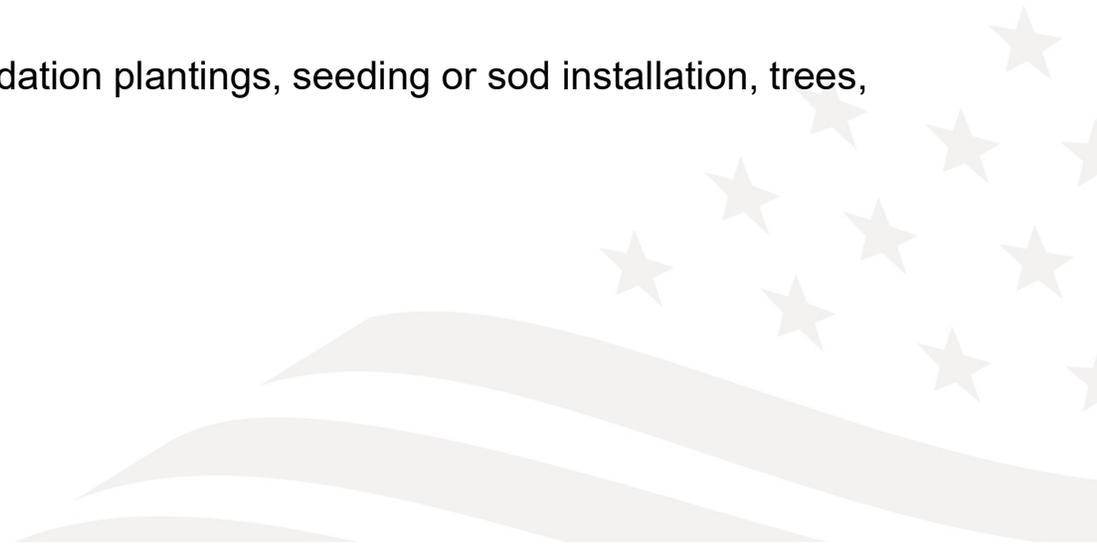
SFH Guaranteed Loan Program

- 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



SFH Guaranteed Loan Program

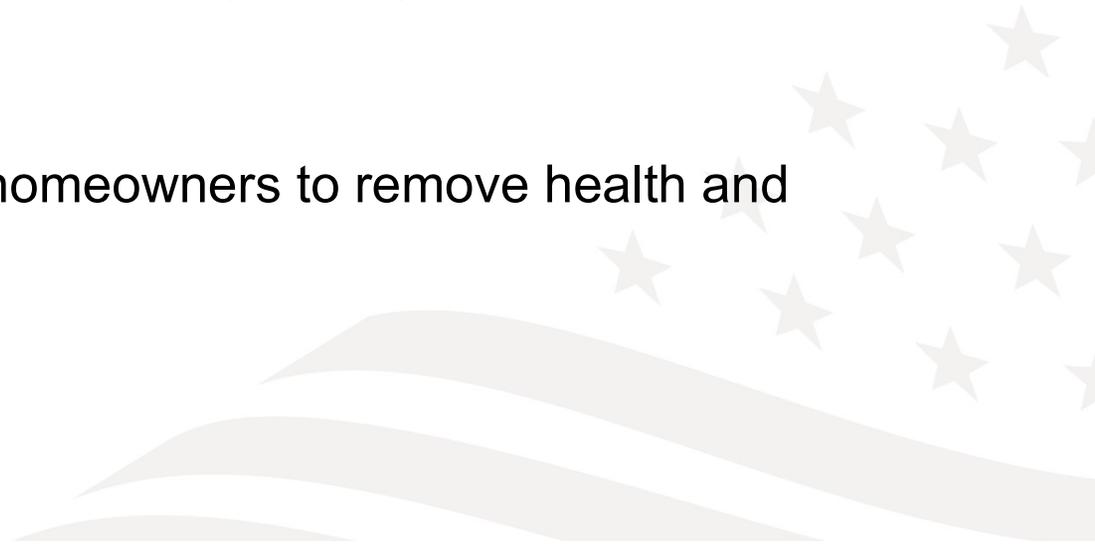
- Purchasing and installing measures to promote energy efficiency (e.g. insulation, double-paned glass and solar panels)
- Installing fixed broadband service to the household as long as the equipment is conveyed with the dwelling
- Site preparation costs, including grading, foundation plantings, seeding or sod installation, trees, walks, fences and driveways



SFH Repair Loans & Grants

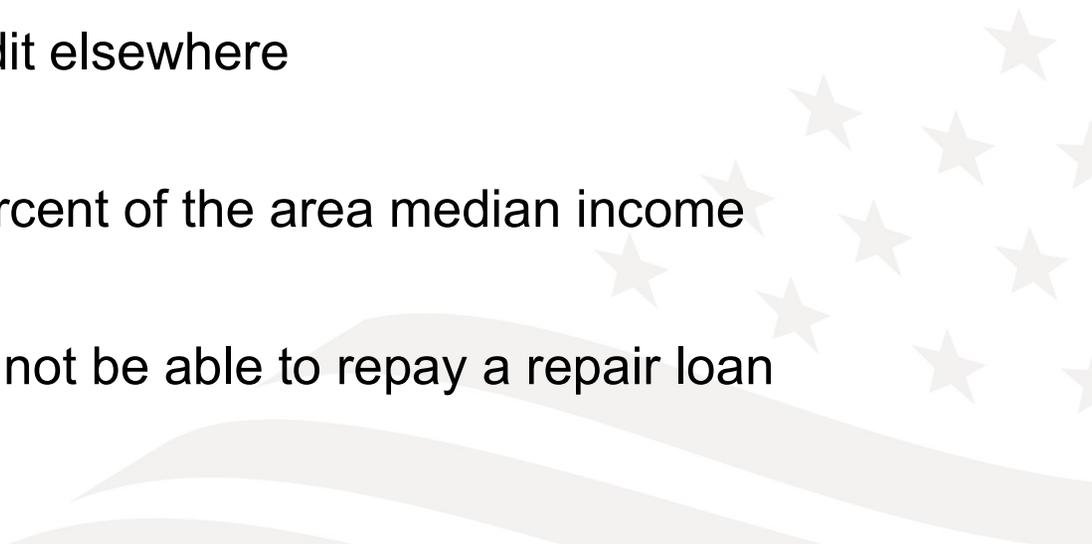
Also known as the Section 504 Home Repair program, this provides:

- loans to very-low-income homeowners to repair, improve or modernize their homes
- grants to elderly very-low-income homeowners to remove health and safety hazards



SFH Repair Loans & Grants

To qualify, you must:

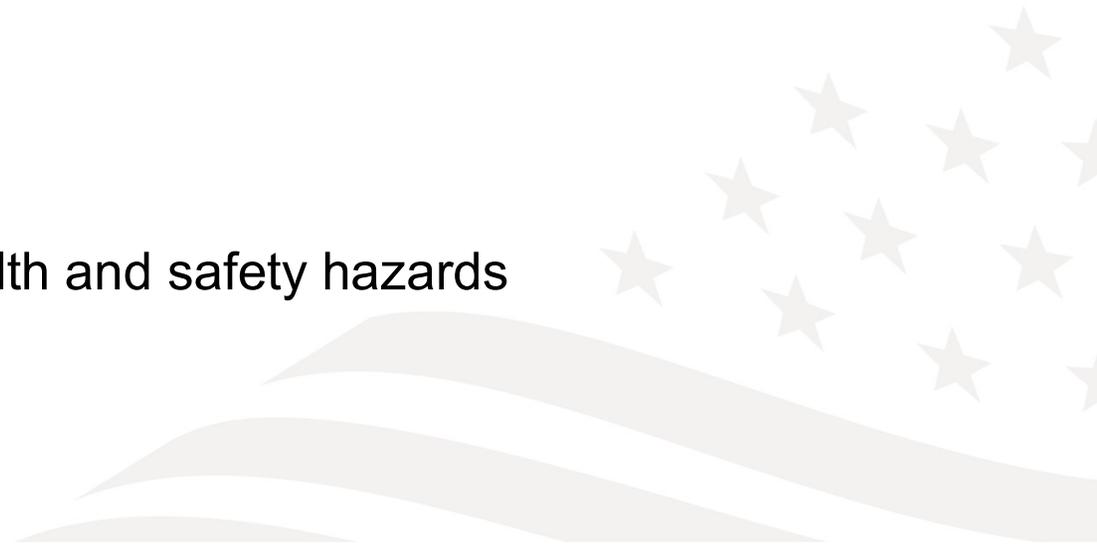
- Be the homeowner and occupy the house
 - Be unable to obtain affordable credit elsewhere
 - Have a [family income](#) below 50 percent of the area median income
 - For grants, be age 62 or older and not be able to repay a repair loan
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SFH Repair Loans & Grants

Loans may be used to:

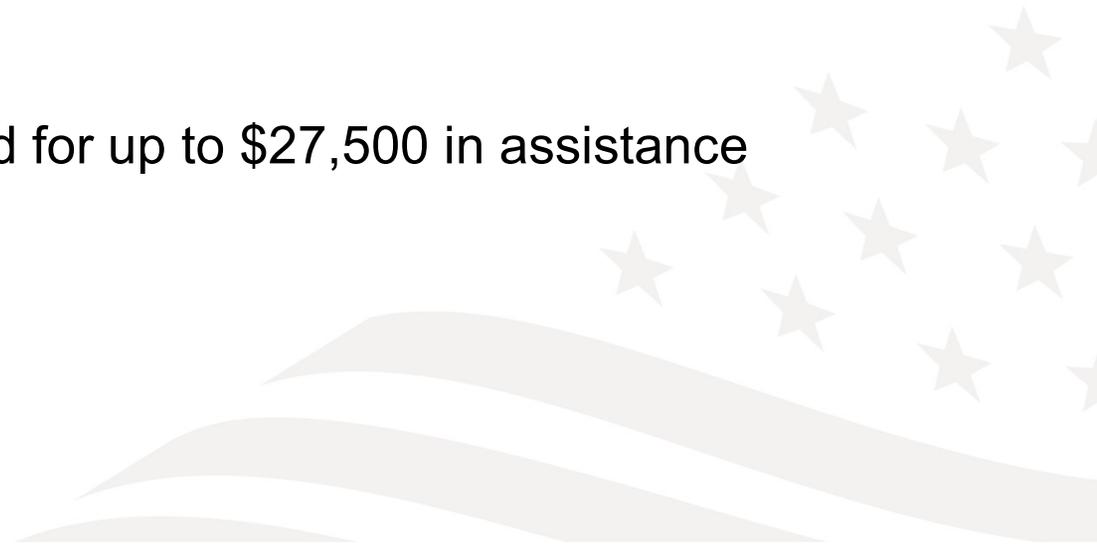
- repair
- improve or modernize homes
- remove health and safety hazards

Grants must be used to remove health and safety hazards



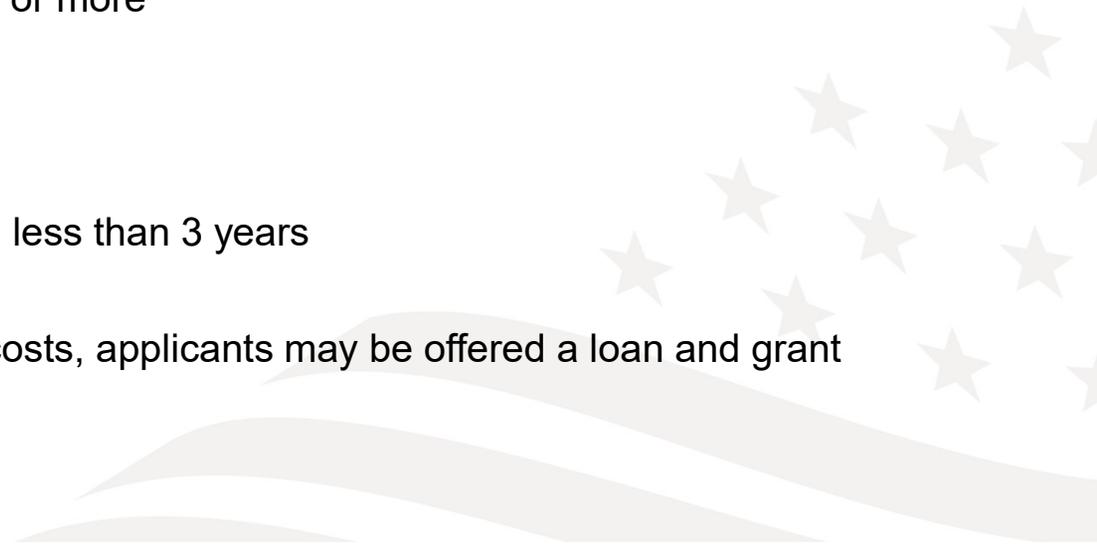
SFH Repair Loans & Grants

- Maximum loan is \$20,000
- Maximum grant is \$7,500
- Loans and grants can be combined for up to \$27,500 in assistance



SFH Repair Loans & Grants

- Loans can be repaid over 20 years
- Loan interest rate is fixed at 1%
- Full title service is required for loans of \$7,500 or more
- Grants have a lifetime limit of \$7,500
- Grants must be repaid if the property is sold in less than 3 years
- If applicants can repay part, but not all of the costs, applicants may be offered a loan and grant combination



SFH Repair Loans & Grants

Applications for this program are accepted through your [local RD office](#) year round.

Approval times depend on funding availability.



SFH Repair Loans & Grants

Helping people stay in their own home and keep it in good repair helps families and their communities.

Homeownership helps families and individuals build savings over time. It strengthens communities and helps many kinds of businesses that support the local economy.

