



United States  
Department of  
Agriculture

## USDA Rural Development Guaranteed Home Loan Program

### Home Mortgage with No Down Payment:

A good credit history and a steady income are not always enough to qualify for a loan, especially when there is a large monthly mortgage insurance payment. If homeownership seems out of reach, Rural Development may have a program to help you.

The Guaranteed Home Loan Program is designed to make the dream of homeownership a reality for residents with low to moderate-incomes.

### Guaranteed Rural Housing Loans:

Through the program, a bank or credit union can help buyers obtain 100% financing with no down-payment and no mortgage insurance.

### Who is Eligible?

- Must have an adequate and dependable income.
- Have an adjusted annual income not to exceed 115 percent of the median income limit established for the county. (Adjusted annual income is determined by subtracting \$480 per each minor child, and child care expenses.)
- Have a reasonable credit history.
- Must be a U.S. citizen or legally admitted to the U.S. for permanent residence.
- Repayment ability is based on the following ratios: Principal, interest, taxes and Insurance divided by the gross monthly income must be equal to, or less than, 29 percent. The total debt ratio is less than, or equal to, 41 percent determined by dividing all monthly debts by gross income.

### What Types of Homes are Eligible?

- Single family homes are eligible. This includes new or existing homes with residential site.
- Existing homes must be adequate, structurally sound, in good repair, and must pass HUD Housing Quality Standards. New homes must meet thermal standards and North Dakota's building codes.
- No restrictions exist on the size or design of the dwelling.
- Typical amenities are allowed, except in-ground swimming pools.

- Home must be located in rural areas, or town of under 35,000 residents and outside of a Metropolitan Statistical Area (MSA).
- Lot size – non-farm residential zoned tract which cannot be further subdivided.

### Terms:

- Applicant makes application with a participating lender.
- Loans may include the guarantee fee, closing costs, title services, the cost of establishing an escrow account and the cost of special design features or equipment necessary to accommodate a physically disabled member of the household.
- Applicants must occupy the dwelling after purchase.
- Mortgages are 30-year fixed rate loans at secondary market interest rates. (Lender provides details.)
- Cost is upfront fee of 2% of the loan amount can be included in loan, and a 0.4% annual service fee (The same fee applies to lender purchase loans & lender refinance of RD Direct or Guarantee loan).

### Income and Property Eligibility:

To determine eligibility, please visit the following website:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

### For More Information, Contact:

Rural Development

Phone: 701-530-2046

Email Questions: [grh.questions@nd.usda.gov](mailto:grh.questions@nd.usda.gov)

Email Applications: [grh.applications@nd.usda.gov](mailto:grh.applications@nd.usda.gov)

Email Closings: [grh.closings@nd.usda.gov](mailto:grh.closings@nd.usda.gov)

Website: <http://www.rd.usda.gov/nd>

USDA is an equal opportunity provider and employer.



# Rural Housing Service Programs

## Rural Home Loans (Direct Program)

### What does this program do?

Also known as the Section 502 Direct Loan Program, this program assists low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.

### Who may apply for this program?

A number of factors are considered when determining an applicant's eligibility for Single Family Direct Home Loans. At a minimum, applicants interested in obtaining a direct loan must have an adjusted income that is at or below the applicable low-income limit for the area where they wish to buy a house and they must demonstrate a willingness and ability to repay debt.

#### 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 your 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

#### Properties financed with direct loan funds must:

- Be modest in size for the area
- 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

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.

Applicants must meet income eligibility for a direct loan. Please contact your local RD office to ask for additional details about eligibility requirements.

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Visit the USDA Income and Property eligibility website for complete details.

### How may funds be used?

Loan funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities

### How much may I borrow?

The maximum loan amount an applicant may qualify for will depend on the applicant's repayment ability. The applicant's ability to repay a loan considers various factors such as income, debts, assets and the amount of payment assistance applicants may be eligible to receive. Regardless of repayment ability, applicants may never borrow more than the area's loan limit (plus certain costs allowed to be financed) for the county in which the property is located.

### What is the interest rate and payback period?

- Fixed interest rate based on current market rates at loan approval or loan closing, whichever is lower.
- Interest rate when modified by payment assistance can be as low as 1%.

# Direct program (p. 2)

## Rural Development • RHS • Rural Home Loan Program (continued)

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- Up to 33 year payback period - 38-year payback period for very low income applicants who can't afford the 33 year loan term.

### How much down payment is required?

No down payment is typically required. Applicants with assets higher than the asset limits may be required to use a portion of those assets.

### Is there a deadline to apply?

Applications for this program are accepted through your local RD office year round.

### How long does an application take?

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.

### What law governs this program?

- The Housing Act of 1949 as amended, 7 CFR, Part 3550
- HB-1-3550 - Direct Single Family Housing Loans Field Office Handbook

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NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact your local office for assistance.

You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov)

# Rural Housing Service Programs

## Single Family Housing Repair Loans & Grants

### What does this program do?

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve, or modernize their homes or provides grants to elderly very-low-income homeowners to remove health and safety hazards.

### Who may apply for this program?

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

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Applicants may [check the address](#) of their home to determine eligibility online.

### How may funds be used?

- Loans may be used to repair, improve, or modernize homes or to remove health and safety hazards.
- Grants must be used to remove health and safety hazards.

### How much money can I get?

- Maximum loan is \$20,000.
- Maximum grant is \$7,500.

- Loans and grants can be combined for up to \$27,500 in assistance.

### What are the terms of the loan or grant?

- 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

### Is there a deadline to apply?

Applications are available year round as long as funding is available, and are processed in the order they are received.

### How long does an application take?

Approval times depend on funding availability in your area. Talk to a [USDA home loan specialist](#) in your area for help with the application.

### How do I get started?

Contact a [USDA home loan specialist](#) in your area.

### What law governs this program?

- The Housing Act of 1949 as amended, [7 CFR, Part 3550](#)
- [HB-1-3550](#) - Direct Single Family Housing Loans and Grants Field Office Handbook

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact [your local office](#) for assistance.

You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov)

# **Website for Income Information**

## **Website for Property Eligibility**

**<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>**

### **For Property Eligibility:**

- 1. Select “Single Family Housing” under Property Eligibility on left side of screen.**
- 2. Click on Accept.**
- 3. Type in address.**

## **Website for Multi-Family Housing Properties**

**[http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select\\_state.jsp](http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp)**

# RURAL HOUSING LOAN ADJUSTED INCOME LIMITS

Effective June 15, 2016

County	Household Size	Very Low	Low	Moderate
Adams	1-4 Persons	36750	58800	85800
	5-8 Persons	48550	77600	113250
Barnes	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Benson	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Billings	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Bottineau	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Bowman	1-4 Persons	37600	60150	86450
	5-8 Persons	49650	79400	114100
Burke	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Burleigh	1-4 Persons	42150	65700	94450
	5-8 Persons	55650	86700	124650
Cavalier	1-4 Persons	36950	59100	85800
	5-8 Persons	48750	78000	113250
Cass	1-4 Persons	38150	61050	87750
	5-8 Persons	50350	80600	115850
Dickey	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Dunn	1-4 Persons	37600	60150	86450
	5-8 Persons	49650	79400	114100
Divide	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Eddy	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Emmons	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Foster	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Golden Valley	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Grand Forks	1-4 Persons	36950	59100	85800
	5-8 Persons	48750	78000	113250
Grant	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Griggs	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Hettinger	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Kidder	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
LaMoure	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Logan	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
McHenry	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
McIntosh	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
McKenzie	1-4 Persons	36950	59100	85800
	5-8 Persons	48750	78000	113250

# RURAL HOUSING LOAN ADJUSTED INCOME LIMITS

June 15, 2016

County	Household Size	Very Low	Low	Moderate
McLean	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Mercer	1-4 Persons	41500	65700	94450
	5-8 Persons	54800	86700	124650
Morton	1-4 Persons	42150	65700	94450
	5-8 Persons	55650	86700	124650
Mountrail	1-4 Persons	37600	60150	86450
	5-8 Persons	49650	79400	114100
Nelson	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Oliver	1-4 Persons	41800	65700	94450
	5-8 Persons	55200	86700	124650
Pembina	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Pierce	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Ramsey	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Ransom	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Renville	1-4 Persons	36950	59100	85800
	5-8 Persons	48750	78000	113250
Richland	1-4 Persons	37150	59450	85800
	5-8 Persons	49050	78450	113250
Rolette	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Sargent	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Sheridan	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Sioux	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Slope	1-4 Persons	37250	59600	85800
	5-8 Persons	49150	78650	113250
Stark	1-4 Persons	38650	61850	88900
	5-8 Persons	51000	81650	117350
Steele	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Stutsman	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Towner	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Traill	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Walsh	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Ward	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Wells	1-4 Persons	36750	58800	85800
	5-8 Persons	48500	77600	113250
Williams	1-4 Persons	37600	60150	86450
	5-8 Persons	49650	79400	114100

The cities of Fargo, West Fargo, Bismarck, Mandan, Minot and Grand Forks are ineligible areas

++ Add 8% of 4 person limit for each person in excess of 8 persons.

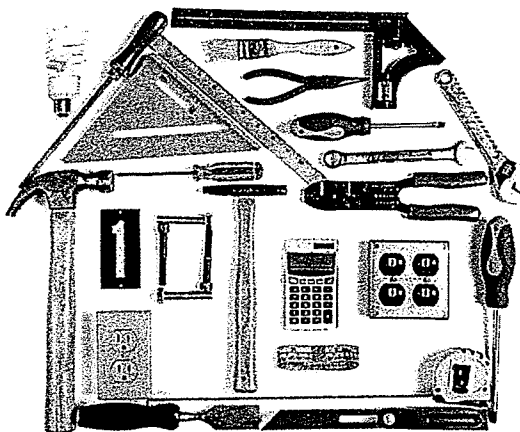
Contact Rural Development for Allowable Deductions from Gross Annual Income



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## Rural Development

*Committed to the future of rural communities.*



Ryan Taylor, State Director



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# RURAL DEVELOPMENT HOUSING PROGRAMS

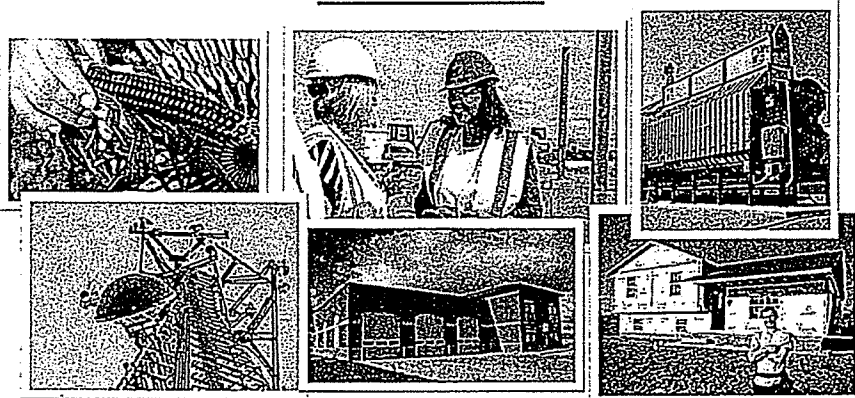
2016





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## Rural Development Our Mission



**To Increase Economic Activity and  
Improve the Quality of Life for All Rural  
Americans.**



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## Rural Development Programs

- **Housing Programs**
- **Community Programs**
- **Business & Cooperative Programs**
- **Water and Utility Programs**



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## Rural Development Investments

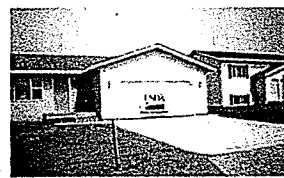
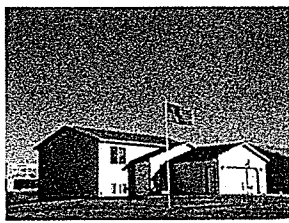
Over \$301 Million invested in North Dakota in  
FY 2015 utilizing over 40 programs.

- \$ 13.6 – Water and Waste Programs
- \$ 14.5 – Business and Cooperative Programs
- \$ 30.9 – Community Programs
- \$ 60.3 – Telecommunication Infrastructure
- \$ 66.2 – **Housing** Programs
- \$116.1 – Electric Loan Program



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## HOUSING PROGRAMS Single Family





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## **Rural Development Single Family Guaranteed Loan**

### **Why Rural Development?**

- Processed through lender of your choice.
- No loan limit.
- No down payment.
- No Mortgage Insurance.
- Loans can include 2.75% guarantee fee above market value.



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## **Rural Development Single Family Guaranteed Loan**

### **Who is Eligible?**

- Have adequate and dependable income.
- Meet income limit guidelines for moderate.
- Have reasonable credit history.
- Be a U.S. citizen or legally admitted.
- Proposed total debt ratio  $\leq 41\%$
- Proposed PITI ratio  $\leq 29\%$



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## Rural Development Single Family Guaranteed Loan

### What Types of Homes are Eligible?

- Located in areas of less than 35,000 population.
- New or existing single family.
- Structurally sound in good repair and pass HUD Housing Quality Standards.
- No restrictions on size or design.
- Non-farm residential zoned tract which cannot be further subdivided.
- Manufactured homes must be NEW and on permanent foundation – meet HUD HB 4930.3.



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## Rural Development Single Family Guaranteed Loan

### Terms:

- Interest rate negotiated lender/buyer - fixed.
- Guarantee up to 90% of principal.
- Loan may include guarantee fee, legal fees, closing costs, title services, escrow account.
- Owner must occupy dwelling.
- 2.75% upfront fee - 0.5% annual service fee.
- 30 year repayment.



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## Rural Development Single Family Guaranteed Loan

### Income Limits:

- Income from all occupants cannot exceed limit for county and size of family.

i.e.: Ramsey, Rolette, Williams Counties:

Family size 1-4	Family size 5-8
\$83,500	\$110,200

### Adjust income by deducting:

- \$480 for each minor child
- Child care expenses
- \$400 for elderly household
- Unreimbursed medical expenses for elderly household.



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## Rural Development Single Family Guaranteed Loan

[http://eligibility.sc.egov.usda.gov/eligibility/  
welcomeAction.do](http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do)

Website for Income Information

Website for Property Eligibility



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## Rural Development Single Family Guaranteed Loan

### Process:

- Applicant contacts lender of choice who has or will participate in RD guarantee program.
- Applicant completes lender's application packet.
- Lender originates and underwrites loan.
- Lender submits information to RD for review and loan commitment.



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## Rural Development Single Family Guaranteed Loan

### Process:

- RD reviews, obtains any additional information needed, and provides conditional commitment within 48 hours of receipt of complete package.
- Lender closes loan and submits final paperwork.
- RD provides guarantee.
- Lender services loan.



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## Rural Development Single Family Guaranteed Loan

### Contact Information:

Approved Lenders

[grh.questions@nd.usda.gov](mailto:grh.questions@nd.usda.gov)

All other inquiries

701-530-2037

[info@nd.usda.gov](mailto:info@nd.usda.gov)



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## Rural Development Single Family Guaranteed Loan

### Training / Resources for Lenders:

***LINC***

(Lender Interactive Network Connection)

<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

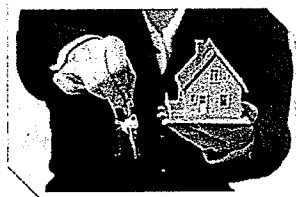


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## Rural Development Single Family Direct Loan

### Purpose:

- To provide home ownership opportunities to rural families with very low to low incomes.
- Loans may be used to buy, build, improve, or repair rural homes.



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## Rural Development Single Family Direct Loan

### Why Rural Development?

- Low income requirement.
- Loan limit of \$240,000 statewide.
- No down payment.
- No mortgage insurance.
- Payment assistance available.





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## Rural Development Single Family Direct Loan

### Who is Eligible?

- Have adequate and dependable income.
- Unable to obtain credit from another source (including RD guarantee).
- Have reasonable credit history.
- Be a U.S. citizen or legally admitted.
- Proposed total debt ratio  $\leq 41\%$
- Proposed PITI ratio  $\leq 29\%$  or  $33\%$  depending upon income level.



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## Rural Development Single Family Direct Loan

### What types of Homes are Eligible?

- Located in areas of less than 35,000 population.
- New or existing single family.
- Structurally sound and in good repair. Must pass a whole house inspection (which includes USDA Housing Quality Standards) completed by a state registered home inspector hired by applicant.



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## Rural Development Single Family Direct Loan

### **What types of Homes are Eligible?**

- Homes built prior to 1978 may need to be inspected for lead-based paint surfaces.
- 1800 Square Feet or smaller in size.
- Lot size – minimum home site.
- Manufactured homes must be NEW, on permanent foundation, meet HUD HB 4930.3.



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## Rural Development Single Family Direct Loan

### **Terms:**

- Interest rate current rate when obligated (3.25% as of December 1, 2015).
- Loan value based on market value appraisal.
- Loans may include closing costs, legal fees, title services, cost of establishing an escrow account.



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## Rural Development Single Family Direct Loan

### Terms:

- 12 month home insurance policy paid up front.
- Must occupy dwelling.
- Payment assistance based on household income and subject to recapture.
- 33 year repayment.



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## Rural Development Single Family Direct Loan

### Income Limits:

- Verified Income from all occupants cannot exceed limit for county and size of family.

i.e.:     Rolette County:

Family size	1	2	3	4
Income Limit	\$39,400	\$45,050	\$50,650	\$56,300

Adjust income by deducting:

- \$480 for each minor child
- Child care expenses
- \$400 for elderly household
- Unreimbursed medical expenses for elderly household.



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## Rural Development Single Family Direct Loan

[http://eligibility.sc.egov.usda.gov/eligibility/  
welcomeAction.do](http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do)

Website for Income Information

Website for Property Eligibility



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## Rural Development Single Family Direct Loan

### **Process:**

- Applicant contacts RD and requests a prequalification or application.
- Prequalification provides potential loan amount and identifies any credit issues based on unverified income and debt data.
- Applicant files application and pays credit report fee.
- Income and debt verified, credit report ordered.

USDA United States Department of Agriculture Rural Development

PRE-QUALIFICATION APPLICATION

APPLICANT INFORMATION

Name First Middle Last \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Home St. \_\_\_\_\_ Cell St. \_\_\_\_\_  
 Work St. \_\_\_\_\_ Fax St. \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 DOB \_\_\_\_\_ Sex \_\_\_\_\_ Marital Status \_\_\_\_\_  
 Social Security Number \_\_\_\_\_  
 Race \_\_\_\_\_ Ethnicity \_\_\_\_\_  
 US Citizen? ☐ Yes ☐ No ☐ Other \_\_\_\_\_  
 Employer \_\_\_\_\_  
 Position Held \_\_\_\_\_  
 Start Date \_\_\_\_\_ Hourly Rate of Pay \_\_\_\_\_  
 Avg hrs worked per week \_\_\_\_\_ Annual Bonus \_\_\_\_\_  
 Other Employer \_\_\_\_\_  
 Position Held \_\_\_\_\_  
 Start Date \_\_\_\_\_ Avg Monthly Income \_\_\_\_\_  
 Health Insurance \_\_\_\_\_  
 Social Security 1 \_\_\_\_\_ Social Security 2 \_\_\_\_\_ Pension 1 \_\_\_\_\_ Pension 2 \_\_\_\_\_

CO-APPLICANT INFORMATION

Name First Middle Last \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Home St. \_\_\_\_\_ Cell St. \_\_\_\_\_  
 Work St. \_\_\_\_\_ Fax St. \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 DOB \_\_\_\_\_ Sex \_\_\_\_\_ Marital Status \_\_\_\_\_  
 Social Security Number \_\_\_\_\_  
 Race \_\_\_\_\_ Ethnicity \_\_\_\_\_  
 US Citizen? ☐ Yes ☐ No ☐ Other \_\_\_\_\_  
 Employer \_\_\_\_\_  
 Position Held \_\_\_\_\_  
 Start Date \_\_\_\_\_ Hourly Rate of Pay \_\_\_\_\_  
 Avg hrs worked per week \_\_\_\_\_ Annual Bonus \_\_\_\_\_  
 Other Employer \_\_\_\_\_  
 Position Held \_\_\_\_\_  
 Start Date \_\_\_\_\_ Avg Monthly Income \_\_\_\_\_  
 Health Insurance \_\_\_\_\_  
 Social Security 1 \_\_\_\_\_ Social Security 2 \_\_\_\_\_ Pension 1 \_\_\_\_\_ Pension 2 \_\_\_\_\_

Other Household Members (Include Unborn and Adult Sons)

Name First Middle Last	Relationship	Age	Sex	Marital Status	Source



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## Rural Development Single Family Direct Loan

### Process:

- RD underwrites loan and provides Certificate of Eligibility or denial letter.
- Applicant finds dwelling and has qualified inspector inspect dwelling.
- If dwelling adequate, appraisal ordered.
- Any additional negotiations completed.
- Loan approved and closed.
- RD services loan.



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## Rural Development Single Family Direct Loan

### Contact Information:

Sandy Dewald 701-250-4367, Ext 132  
[Sandra.dewald@nd.usda.gov](mailto:Sandra.dewald@nd.usda.gov)

Michele Brossart 701-852-1754, Ext 123  
[Michele.brossart@nd.usda.gov](mailto:Michele.brossart@nd.usda.gov)

701-530-2037  
[info@nd.usda.gov](mailto:info@nd.usda.gov)



United States Department of Agriculture

## Rural Development Home Repair Loan and Grant

### Purpose:

- Provide loans and grants to very low income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards.
- Provide accessibility for household members with disability.





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## Rural Development Home Repair Loan and Grant

### Why Rural Development?

- Assists very low income homeowners.
- 1% interest up to \$20,000 loan limit.
- Grant limit of \$7500 (must be 62 or older).
- Helps those unable to get credit elsewhere.



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## Rural Development Home Repair Loan and Grant

### Who is Eligible?

- Must own home (or long-term lease).
- Unable to obtain credit elsewhere.
- Meet very low income guidelines.
- Need to make repairs and improvements.
- 62 or over and unable to pay on loan - grant.



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## Rural Development Home Repair Loan and Grant

### Terms:

- Loans up to 20 years @1% interest rate.
- For loans over \$7500, mortgage required.
- Grant funds only to remove health and safety hazards and provide accessibility features.
- Grants paid back if house sold within 3 years.
- Grant/loan combination possible.



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## Rural Development Home Repair Loan and Grant

### Income Limits:

Income cannot exceed very low income limit for county and size of family.

i.e.: Rolette County

Family Size	1	2	3	4
Income Limit	\$24,650	\$28,200	\$31,700	\$35,200

Adjust income by deducting:

- \$480 for each minor child
- Child care expenses
- \$400 for elderly household
- Unreimbursed medical expenses for elderly household.





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## Rural Development Home Repair Loan and Grant

### Process:

- Complete RD application including budget.
- RD verifies income and debt.
- Free credit report ordered for loans.
- RD inspects home for required and requested repairs and provides list of repairs needed to applicant.



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## Rural Development Home Repair Loan and Grant

### Process:

- Applicant obtains 3 bids for work (if older than 1978, lead-based paint must be addressed).
- Determine if bids are under approval amount and minimum repair work to be completed.
- Loan and/or grant approved and closed.
- Contract awarded and work begins.
- RD inspects work and provides payment.



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## Rural Development Home Repair Loan and Grant

*"I'm 73 and I need a loan for a new roof and to put in a ramp and accessible bathroom but I can't afford a bank loan."*



- \$7500 - grant
- \$7000 - loan (based on budget)
- 20 years @ 1% = \$33 monthly payment



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## Rural Development Home Repair Loan and Grant

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