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NEWS RELEASE

United States Department of Agriculture * Rural Development
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USDA Rural Development can Assist with Home Ownership, Improvements

**How is your house holding up against this stormy weather?
Need a roof or a new air conditioner to keep you cool?
How about your windows or flooring?**

USDA Rural Development has money available for the 504 Home Repair Loan program for rural residents of Indiana. These loans can be made for up to \$20,000 with a repayment term to 20 years at 1 percent interest rate.

This Loan program is available to very low income rural homeowners who need repairs or improvements to their home but cannot afford them on their own. Very low income is defined as household income no more than \$22,200 - \$27,700 for 2 people. The limits vary by county and household size.

Common repairs are window replacement, insulation, roof replacement/repair, new hot water heater/plumbing, heating and air conditioning repair or replacement, handicap accessibility and general home improvements. Other eligible purposes include plumbing improvements, septic systems, wells, public utility connection fees, and modifications to make a home accessible. Grants of up to \$7,500 may be available to those 62 or older who cannot meet their home repair needs with loan funds. The grant funds can only be used to remove health or safety hazards.

Need a home of your own?

The USDA Rural Development 502 Direct Home Loan Program now is accepting applications.

This is a 100 percent mortgage program that can include most closing costs and necessary repairs. The loan can be used to buy an existing home or to build new. The program is designed to give low income families the opportunity to become homeowners. As with the 504 Home Repair Loan Program, income limits vary by county and family size. The limits for a 4 person household range from \$44,400 - \$55,650. The current interest rate is 4.625 percent and can be subsidized by Rural Development to as little as 1 percent for 33 years.

Income too high?

USDA Rural Development provides loan guarantees to lenders for mortgage loans that require no down payment and no private mortgage insurance. The Guaranteed Rural Housing Loan Guarantee Program is similar to the 502 Direct Home Loan Program, but has much higher income limits. A 1 to 4-person household can qualify if their income does not exceed \$97,150 - \$105,000. This too varies by county and household size. This program offers a fast, low-cost home purchase opportunity.

The application process for all of these programs is simple. Call Paul Neumann, Housing Program Director, at (317) 290-3100 extension 413 or paul.neumann@in.usda.gov for more information. Additional information can be found at <http://eligibility.sc.egov.usda.gov/>.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting their web site at www.rurdev.usda.gov/in/.