

# Rural Development Single Family Housing



Committed to the future of rural communities.

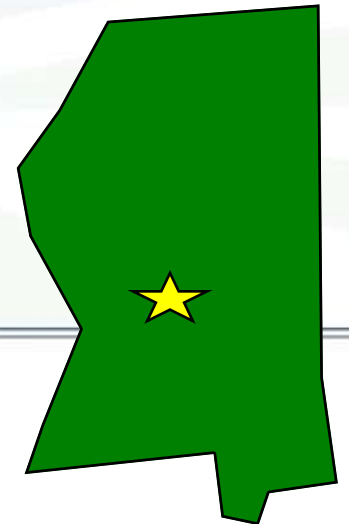
[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

# OFFICE FUNCTIONS

- STATE OFFICE - provide technical support to the field offices on program matters.
- AREA OFFICE - oversee the operation of the local office and handle all group type loans.
- LOCAL OFFICE - process SFH loans, and provide guidance to direct borrowers on the servicing of their loans.

# MISSISSIPPI

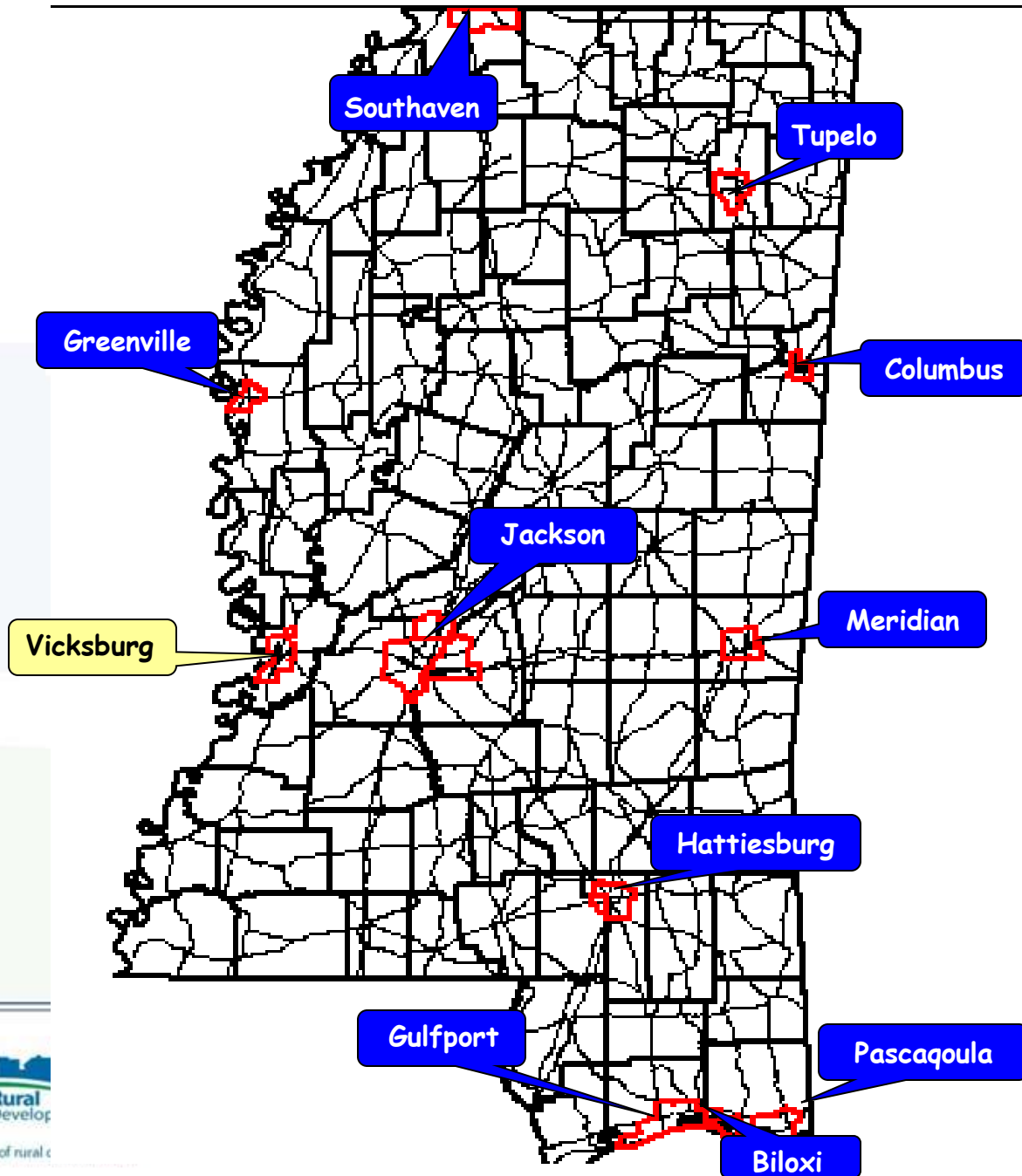
- STATE OFFICE (Jackson, MS)
- AREA OFFICES - 6
  - Sub Area Offices - 3
- LOCAL OFFICES - 23



# SFH OBJECTIVE



“Provide moderate, low, and very-low income families who live in rural areas with an opportunity to affordably **own** adequate but modest and decent homes.”

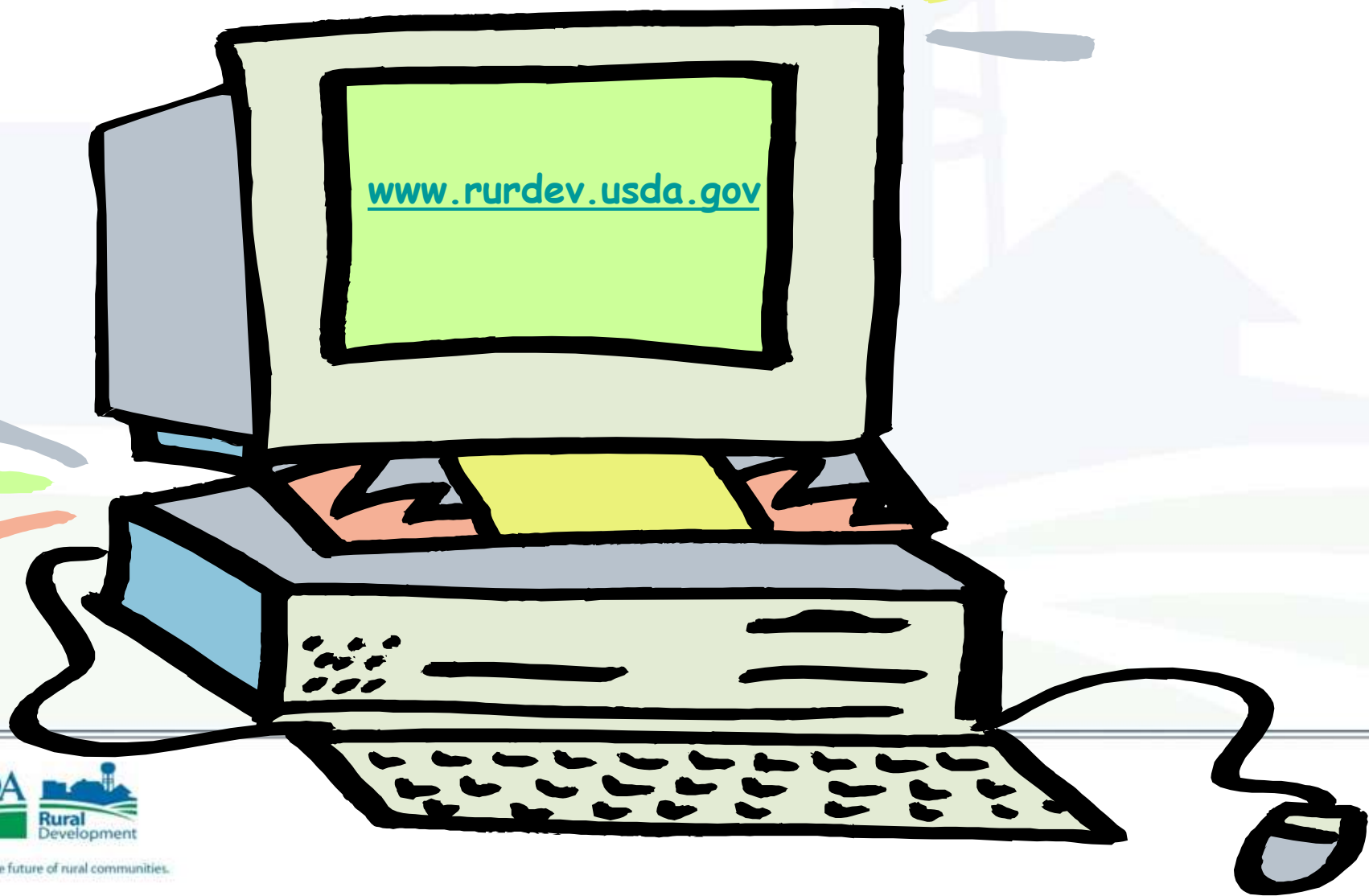


- Ineligible
- Waiver -2010



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# Web Site





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# About RD



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**About RD**

- Under Secretary's Page
- Deputy Under Secretaries
- Agency Administrators
- State Directors
- Speeches
- Congressional Testimony
- Strategic Plans



- ▶ Housing
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- ▶ Loans
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- ▶ Online Services

companies.

**Cooperative Grants and Other Programs**

The mission of Cooperative Program (CP) is to promote understanding and use of the cooperative form of business as a viable organizational option for marketing and distributing agricultural products. CP serve cooperative members, directors, management, educational institutions, organizations, rural residents, and all others with an interest in the cooperative form of business. CP strive to assist them to effectively use cooperatives to improve their economic well-being and quality of life.

**Single Family Housing Loans and Grants**

Single Family Housing Programs provide homeownership opportunities to low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

**Multi Family Housing Loans and Grants**

Multi-Family Housing Programs offer Rural Rental Housing Loans to provide affordable multi-family rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but funds may also be used to buy and improve land and to provide necessary facilities such as water

- Congressional Testimony
- Strategic Plans
- Notice of Funds Availability



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### Single Family Housing Loans and Grants

Single Family Housing Programs provide homeownership opportunities to low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary. Visit the following sites for information and/or assistance...

- [Rural Housing Guaranteed Loan](#)  
Applicants for loans may have an income of up to 115% of the median income for the area. Area income limits for this program are here. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.
- [Rural Housing Direct Loan](#)  
Section 502 loans are primarily 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.
- [Rural Repair and Rehabilitation Loan and Grant](#)  
The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health

**I Want To...**

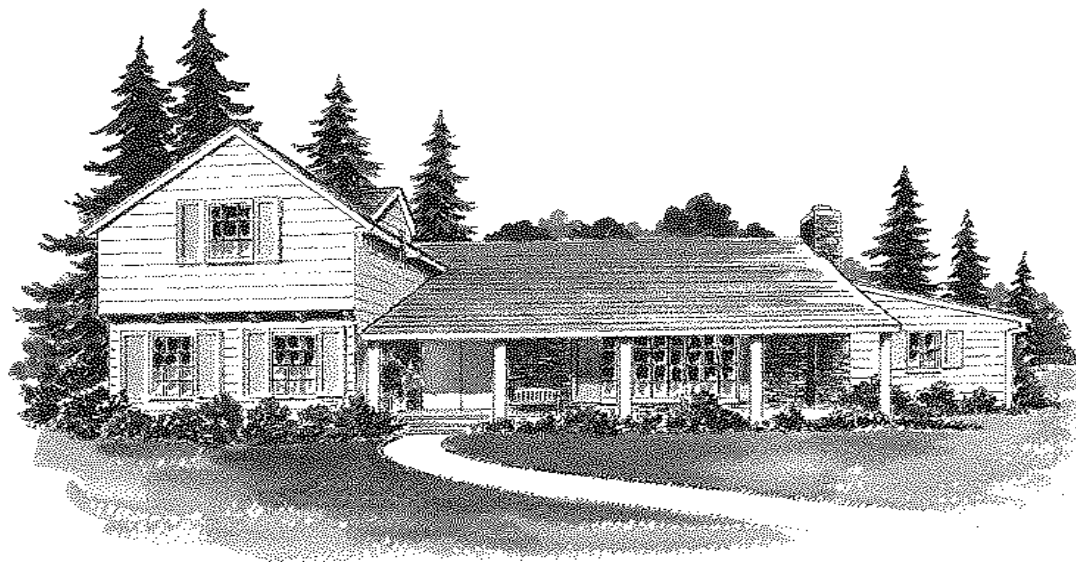
- [Find a Local RD Office](#)
- [Find Income & Housing Eligibility](#)
- [Find Notices of Funds Availability](#)
- [Find a Form](#)
- [Find Area Loan Limits](#)
- [Find Guaranteed Income Limits](#)
- [Find Direct Loan and Grant Income Limits](#)
- [\(more...\)](#)

**See Also**

- [HCFP Administrator](#)

# SFH PROGRAMS

- SECTION 502 DIRECT
- SECTION 502 GUARANTEED
- SECTION 504 DIRECT



# SECTION 502 DIRECT

- **LOAN PURPOSES:**

Buy, build, rehabilitate, or improve a dwelling and provide related facilities for use by the borrower as a permanent residence.



# SECTION 502 DIRECT

- Points of Interest

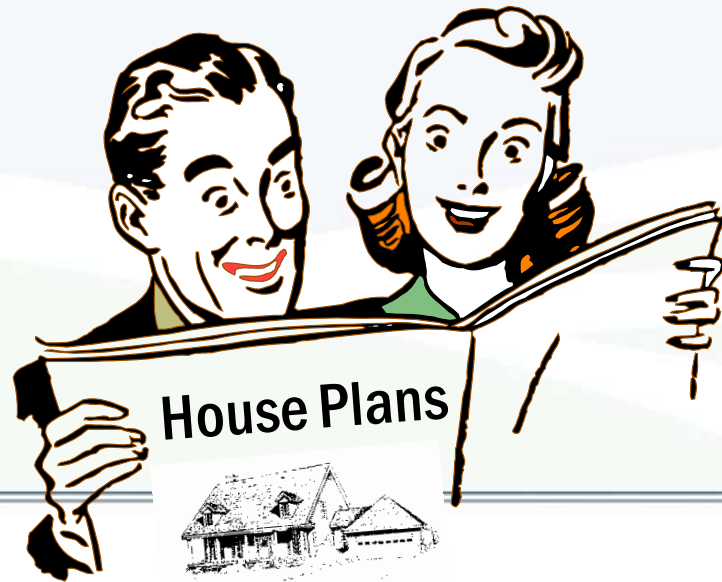
- Household income must be low income or below
- May qualify for subsidy to reduce payment
- 100% Loan for 33 years
- **\$115,100** to **\$155,400** maximum loan



# Section 502 Guaranteed Loans

- **LOAN PURPOSES:**

Buy, or build a dwelling and provide related facilities for use by the borrower as a permanent residence.



# Section 502

## Guaranteed Loans

- Points of Interest
  - Moderate Income and below
  - 100% Loan (No down payment)
  - GRH Fee (2% - 3.5%?) may be included in loan
  - No monthly MIP
  - 30 year fixed rate of interest

# Section 504

## Direct Loan/Grant

- **LOAN & GRANT PURPOSES**

Repair a dwelling to remove safety & health hazards and to improve the dwelling for a safer living environment.



# Section 504

## Direct Loan/Grant

- Points of Interest
  - Very-low income or below
  - Must own your dwelling
  - 62 years of age to receive a grant
  - Loan is at 1%
  - Maximum loan is \$20,000 and grant is \$7,500

# Housing Choice Voucher (HUD Section 8)

- Used with the following RD Programs:
  - SFH Direct Program
  - SFH Guaranteed Program



# **Housing Choice Voucher (HUD Section 8)**

- **IMPORTANT:**

*The Housing Assistance Payment (HAP) to the borrower is **not** counted as Annual Income.*



# Housing Choice Voucher (HUD Section 8)

- **Used as Repayment Income**
  - Grossed up by 20% in the Direct Program
  - Grossed up by applicable tax rate in the Guaranteed Program
- **Example:**

Housing Voucher

$$\$220.00/\text{mo.} \times 20\% = \$44.00 + \$220.00 = \$264.00$$

***More Repayment Ability!***



# **Housing Choice Voucher (HUD Section 8)**

- Eligibility Income:**

Borrower income                      \$603.00/mo. SSI

\$603 x 12 months = **\$9,900.00**

*Annual Income*

*1 person limit = \$26,300.00 for Lauderdale County*



# Housing Choice Voucher (HUD Section 8)

- **Repayment Income:**

\$603.00 (SS income) x 120% = \$723.60

\$222.00 (HAP) x 120% = \$266.40

**TOTAL = \$990.00 per month**

By Grossing Up her SSI and HAP as repayment income, the borrower qualified for a \$72,229.00 loan from RD



# Housing Choice Voucher (HUD Section 8)

- Lauderdale County

Sales Contract	\$75,500.00
Repairs	4,640.00
Closing cost/fees	<u>2,616.00</u>
TOTAL	\$77,756.00

HOYO Grant	<u>15,000.00</u>
RD Direct Loan	\$62,756.00



# Housing Choice Voucher (HUD Section 8)

- **Payments on RD Loan (\$62,756.00):**

Full Note Rate Payment	\$374.76 @ 6.25%
Escrow of Insurance	<u>+45.83</u>
Total House Payment	\$420.59
Payment Assistance from RD	- <u>188.63</u>
Borrower's Payment	\$231.96
→ HAP	- <u>222.00</u>

Out of Pocket Expense      **\$ 9.96**



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