

USDA RURAL DEVELOPMENT



SERVICE AREA:

CAYUGA ONTARIO,
LIVINGSTON, MONROE,
SENECA, YATES AND
WAYNE COUNTIES

Section 504 Grants:

- ◆ Must be 62 years of age or older at application
- ◆ \$10,000 maximum lifetime grant assistance
- ◆ Owner-occupied single family home in an eligible rural area
- ◆ Repairs to address health/safety hazards and/or make home accessible

Section 504 Loans:

- ◆ Fixed 1% interest rate
- ◆ 20 year term
- ◆ Outstanding 504 loan balance not to exceed \$40,000
- ◆ Owner occupied property in eligible rural area
- ◆ Repairs to improve or modernize home

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SINGLE FAMILY HOUSING

SECTION 504 HOME REPAIR LOAN / GRANT PROGRAM

Program Objective:

Assist very low-income owner occupants of modest single family dwellings in rural areas repair their homes.

Loan Purposes:

Loan funds may be used to remove health and safety hazards, improve or modernize a home or make the dwelling accessible for household members with a disability.

Grant Purposes:

Grant funds may be used *only* for repairs and improvements that will remove health and safety hazards or to make dwellings accessible for household members with disabilities.

Terms & General Eligibility Requirements

504 Loan

- ◆ Fixed interest rate of 1% and term of 20 years.
- ◆ The adjusted household income may not exceed the very low income limit for area: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>
- ◆ Applicant must demonstrate loan repayment ability – total debt ratios not to exceed 41% of qualifying repayment income.
- ◆ Lack asset resources to meet repair needs; non retirement assets in excess of \$15K (or \$20K for elderly or disabled household) must be used to reduce the loan request.
- ◆ Acceptable credit history – reasonably ability and willingness to meet debt obligations.
- ◆ Loans of \$7,500 or more will be secured by a mortgage; < \$7,500 are note only.
- ◆ Applicant must own (life estate/use acceptable) and occupy the property.

504 Grant

- ◆ At least one applicant must be 62 years of age or older at the time of application.
- ◆ Lifetime grant assistance to any one household or one dwelling cannot exceed cumulative total of \$10,000.
- ◆ The adjusted household income cannot exceed the very low income limit for area: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>
- ◆ Applicants must own (life estate/use acceptable) and occupy the property.
- ◆ Lack asset resources to meet repair needs; non-retirement assets in excess of 15K (or \$20K for an elderly or disabled household) must be used to reduce the grant request.
- ◆ Grants must be repaid if the home is sold or otherwise transferred within three years of signing Grant Agreement.

Dwelling Requirements

- ◆ Must be a single family dwelling located in an eligible rural area. <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ The property must be considered modest, not used for rental or income producing purposes or have a value in excess of the applicable area loan limit.
- ◆ Manufactured homes must be on a permanent foundation and applicant must also own the site/land where the unit is located.

