



Home Repair Loan & Grant - Pilot Program

What does this program do?

Rural Development's Home Repair Loan and Grant Pilot Program increases the maximum amount of assistance available to very-low-income homeowners, as well as improves access to the program in an effort to better assist those in need. This program helps repair, improve and modernize homes in eligible rural areas.

Who may apply for this program?

To qualify you must:

- Own the home and lot, and occupy the house
- Be unable to obtain affordable credit elsewhere
- Have a family income below 50% of the area median income.
- For grants, be 62 or older and not be able to repay a 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 much money can I get?

- Maximum loan is \$40,000.
- Maximum grant is \$10,000.
- Loans and grants can be combined for up to \$50,000 in assistance.

What are the terms of the loan or grant?

- Loans can be repaid over 20 years at 1% fixed interest rate.
- Full title service and appraisal required for loans more than \$25,000.
- Lots may be subdivided as long as it is modest, typical for the area, and not used for ag or income producing purposes.
- Escrow account and hazard insurance for loans \$15,000 or more.
- Grants have a lifetime limit of \$10,000.
- Grants must be repaid if the property is sold in less than 3 years.

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.
- Eligible uses include repairing septic systems, wells, roofs, plumbing, electrical and more.
- Funds may be used for fire prevention safety hazards including removal of brush and trees and necessary home renovations to prevent fires.

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 do I get started?

Contact a USDA home loan specialist in your area.

www.rd.usda.gov/ca