



Committed to the future of rural communities.

# SINGLE FAMILY HOUSING REPAIR LOAN & GRANT *(504 LOAN & GRANT)*

- **PROGRAM OBJECTIVE**

- Help very-low income owner occupants of modest single family dwellings in eligible areas to complete essential repairs

- **BENEFITS FOR HOMEOWNERS**

- Enables loans and grants to be made that otherwise would not be available and at interest rates below what the private sector offers. Repayment can be extended up to 20 years depending on repayment ability.

- **PURPOSE**

- Loans are available to repair or modernize homes; priority is given to work needed to remove health and safety hazards
- Grants are available to homeowners who are at least 62 years of age who are not able to repay a loan, use of grant funds is limited to removal of health and safety hazards

- **ELIGIBILITY**

- Adjusted income cannot exceed the very-low income level (50% of county median)
- The applicant's family budget and financial statement determine loan repayment ability, and grant eligibility for applicants 62 years of age or more
- Applicants must provide acceptable evidence of ownership of the property to be repaired.
- Loan recipients must have demonstrated an ability and willingness to meet their debts. However, credit requirements are less stringent for 504 loan recipients compared to 502 borrowers. Grant recipients are not evaluated for credit worthiness except to insure the recipient does not have a judgment in Federal court (Tax courts are an exception).

- **ELIGIBLE AREAS**

- 504 loans and grants can be made in rural areas which include open country and communities up to 10,000 population, plus communities that are not part of a Metropolitan Statistical Area with populations up to 20,000

- **CONSTRUCTION & ENVIRONMENTAL STANDARDS**

- Dwelling repairs will comply with local codes and ordinances
- All major health and safety hazards must be removed upon completion of the work
- Repairs can include, but are not limited to: storm shelters, handicap accessibility features, heating and air conditioning units, floor and sub-floor repairs, foundation repairs, roof repairs and replacements, siding, windows, and insulation among others
- Lead Base Paint requirements apply for all dwellings built prior to 1-1-1978
- National Flood Insurance must be provided for any property located within designated Special Flood Hazard Areas
- Homeowner will find and select a qualified contractor
- Repairs can be made to mobile homes provided the applicant owns the home and the site and the repairs are needed to remove health or safety hazards. The home must also be on a permanent foundation (or be placed on a permanent foundation with 504 funds).



# SFH REPAIR LOAN & GRANT CONTINUED

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**• LOAN RATES & TERMS**

- Loan interest rate is 1%
- Maximum repayment term is 20 years, installments are monthly, some escrows required
- Maximum loan outstanding cannot exceed \$20,000
- Lifetime maximum grant eligibility is \$7,500
- Real estate mortgages will be required to secure loans of \$7,500 or more
- If the home is sold within 3 years of grant approval the full amount of grant must be repaid

**• INSPECTIONS AND FUND DISTRIBUTION**

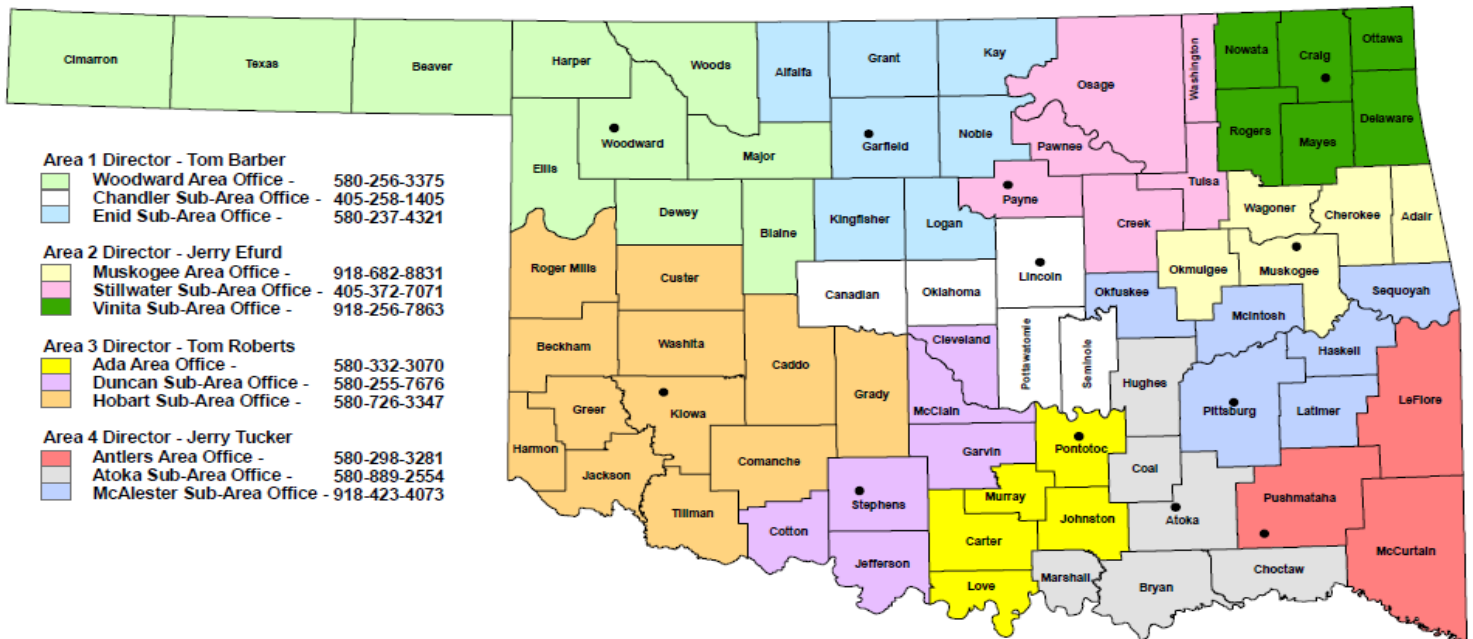
- Construction contracts are strongly recommended on all repair projects
- A one-year builder's warranty on all repair projects covering workmanship and materials is required along with RD Form 1924-9, Certificate of Contractor's Release and RD Form 1924-10, Release by Claimants

**• PROCESSING**

- Utilization of participating funding is encouraged

**FOR MORE INFORMATION CONTACT USDA RURAL DEVELOPMENT STATE OFFICE AT 405-742-1070 OR CONTACT ONE OF THE 12 OFFICES LOCATED AROUND THE STATE**

## Oklahoma Rural Development Offices



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To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Ave, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

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