



USDA RURAL DEVELOPMENT

SINGLE FAMILY HOUSING

SECTION 504 HOME REPAIR LOAN / GRANT PROGRAM

SERVICE AREA:

WASHINGTON, ESSEX,
HAMILTON, RENSSELAER,
SARATOGA & WARREN
COUNTIES

Section 504 Grants:

- ◆ Must be 62 years of age or older at application
- ◆ \$10,000 maximum lifetime grant assistance
- ◆ Adjusted household income at or below 30% HUD median income level or lack adequate repayment ability for a loan
- ◆ Owner occupied property in eligible rural area

Section 504 Loans:

- ◆ Adjusted household income at or below area very low income limit
- ◆ Fixed 1% interest rate
- ◆ 20 year term
- ◆ Outstanding 504 loan balance not to exceed \$40,000
- ◆ Owner occupied property in eligible rural area

Rural Development
2530 State Route 40
Greenwich, NY 12834

Phone: (518) 692-9940 Ext.4
Fax: (855) 889-1631
www.rd.usda.gov

Program Objective:

Assist very low-income owner occupants of modest single family homes 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 46% of qualifying repayment income.
- ◆ Lack asset resources to meet repair needs
- ◆ 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 (to include life estate) and occupy the property.

504 Grant

- ◆ At least one applicant must be 62 years of age or older at the time of application.
- ◆ The adjusted household income cannot exceed the very low income limit for area: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>
- ◆ Adjusted household income at or below 30% of the HUD median income limit for the area can be considered for a grant to address health or safety issues or make the dwelling accessible for household members with disabilities.
- ◆ Applicants with an adjusted household income above 30% HUD median income limit will be evaluated for loan repayment ability – possible loan/grant combination.
- ◆ Applicant must have acceptable ownership (to include life estate) and occupy the property.
- ◆ Lack asset resources to meet repair needs
- ◆ Grants must be repaid if the home is sold or otherwise transferred within three years.

Dwelling Requirements

- ◆ The property 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, a single family home, not contain an in-ground pool or have a value in excess of the USDA single family housing limit for the area.
- ◆ Manufactured homes must be on a permanent foundation and applicant must own the land where it is placed.

