



# Single Family Housing Programs

**Julie Czappa**

Lender and Partner Activities Branch

Washington, D.C.

# USDA Overview

# Over 70 USDA Programs!

Single-Family Housing



Multi-Family Housing



Electric



Telecommunications



H

Community Facilities







Water & Environmental



Business & Cooperative

Most programs are administered by state and local offices. Location map:

<https://rd.usda.gov/contact-us/state-offices>

Single Family Housing		GUARANTEED	DIRECT
INCOME		<u>Moderate-income limits</u> (115% of median family income)	<u>Very low to low-income limits</u> (80% of median family income)
PROPERTY		Must be in an <u>eligible rural area</u> ; site must be typical for the area	Must be in an <u>eligible rural area</u> ; site and home size restrictions
INTEREST RATE		30-year fixed rate	Typically <b>33</b> -year term; Payment assistance available
HOW TO APPLY		Apply through a <u>participating SFHGLP lender</u>	Complete an online assessment and <u>apply directly to RD</u>

# Income Eligibility



# Income Limits: USDA Eligibility Site

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

USDA United States Department of Agriculture Rural Development

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business OneRD Loan Guaranteed Water and Environmental Guaranteed Water and Environmental Direct Community Facilities Guaranteed

Property Eligibility Previous Eligibility Areas **Income Eligibility** **Income Limits** Loan Basics

Single Family Housing Income Eligibility

Property Location

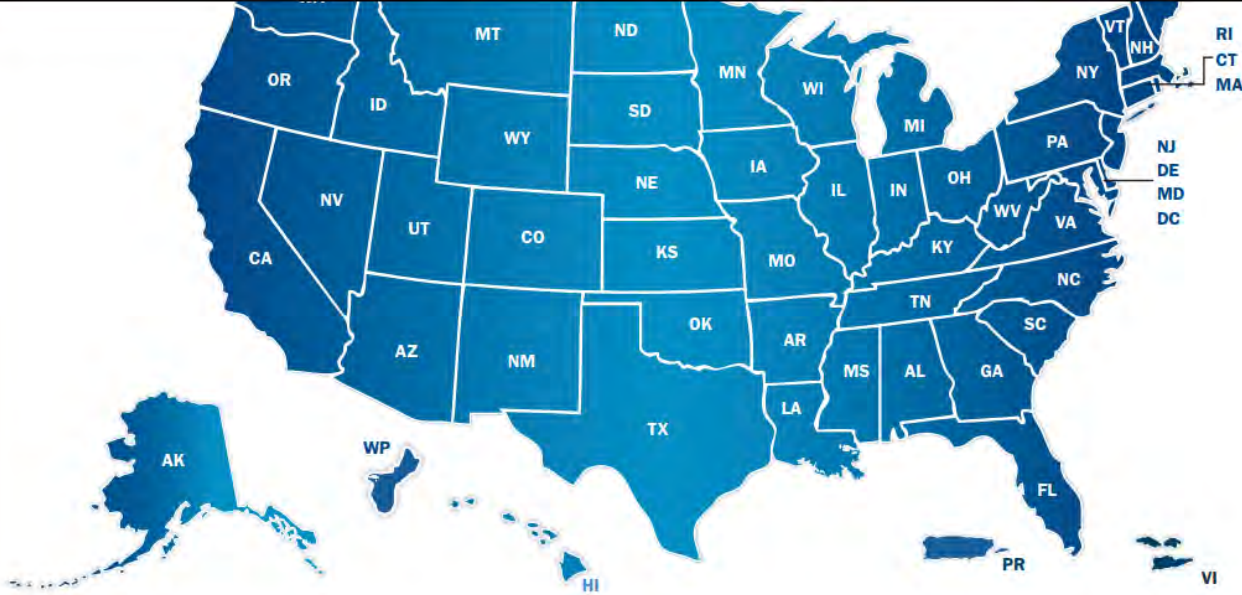
State: Michigan County: Please pick a county below ▼

Reset

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# Income Limits: USDA Eligibility Site

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>



## UPDATE

Updated  
income limits  
just released on  
July 13, 2023!

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HB - 1 - 3555, Appendix 5

### GUARANTEED HOUSING PROGRAM INCOME LIMITS

STATE:ALABAMA

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON*
Anniston-Oxford-Jacksonville, AL MSA								
VERY LOW INCOME	34400	34400	34400	34400	45450	45450	45450	45450
LOW INCOME	55050	55050	55050	55050	72650	72650	72650	72650
MOD. INC-GUAR. LOAN	103500	103500	103500	103500	136600	136600	136600	136600
Auburn-Opelika, AL MSA								
VERY LOW INCOME	43600	43600	43600	43600	57600	57600	57600	57600
LOW INCOME	69750	69750	69750	69750	92050	92050	92050	92050
MOD. INC-GUAR. LOAN	103500	103500	103500	103500	136600	136600	136600	136600
Birmingham-Hoover, AL MSA								
Birmingham-Hoover, AL HUD Metro FMR Area								
VERY LOW INCOME	42400	42400	42400	42400	56000	56000	56000	56000
LOW INCOME	67850	67850	67850	67850	89550	89550	89550	89550
MOD. INC-GUAR. LOAN	103500	103500	103500	103500	136600	136600	136600	136600
Chilton County, AL HUD Metro FMR Area								

# Property Eligibility



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Single Family Housing Income Eligibility

Property Location

State: Michigan County: Please pick a county below

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Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits

5417 Clems Way Stevens Point WI 54482 GO!

5417 Clems Way Stevens Point WI 54482

This address is not located in an eligible area.

USDA United States Department of Agriculture Rural Development

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits





390 Red Cedar Street Menomonie WI 54751 GO!

390 Red Cedar St Menomonie WI 54751

This address IS located in an eligible area.

The background is a dark blue gradient with several diagonal stripes of a slightly lighter shade of blue running from the top right towards the bottom left.

# Single Family Housing *Guaranteed Loan Program* Overview

Single Family Housing		GUARANTEED	DIRECT
INCOME		<u>Moderate-income limits</u> (115% of median family income)	<u>Very low to low-income limits</u> (80% of median family income)
PROPERTY		Must be in an <u>eligible rural area</u> ; site must be typical for the area	Must be in an <u>eligible rural area</u> ; site and home size restrictions
INTEREST RATE		30-year fixed rate	Typically <b>33</b> -year term; Payment assistance available
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# LENDER Benefits

Reduced risk with up to a 90% guarantee.

Credit towards Community Reinvestment Act (CRA) performance.

Streamlined documentation requirements with the use of the Guaranteed Underwriting System (GUS).

Online training modules and resources that are easy to navigate.

**Customer service...***we're always striving to be better for you! USDA has dedicated staff to review loans on trust land.*





# HOMEBUYER Benefits

No down payment.

100% financing based on appraised value.

No specific minimum credit score requirement. Alternative credit option.

Not limited to first time homebuyers.

No maximum purchase price limits.

# Eligible Loan Purposes

## Acquire a Site and Dwelling

Loan funds may be used to purchase existing or build new.

Land Trusts and Leaseholds allowed.

## Reasonable and Customary Expenses

These closing costs may be paid for with loan funds. Seller contributions are limited to 6% of sales prices.

## Repairs and Rehab

May be financed when combined with purchase of home. Escrows allowed for repairs that don't affect the livability of the home.

## Refinance

May include "take out" construction financing or refinance of an existing Rural Development Direct or Guaranteed loan.

# Property Eligibility

**Existing Single  
Family Homes**

**New  
Construction**

**Townhomes**

**Condominiums**  
(limitations apply)

**New  
Manufactured**

**Existing  
Manufactured**  
(after 2006 in some states  
under a pilot program)

**New or Existing  
Modular**  
(treated same as site-built)

**Duplex – 1 unit**

# Property and Site Requirements



## Site Size

- No specific limitation to size/acreage of site



## Income Producing Buildings

- Income producing buildings are prohibited



## Accessory Dwelling Unit

- Does not automatically render property ineligible



## Income Producing Land

- Income producing land is prohibited

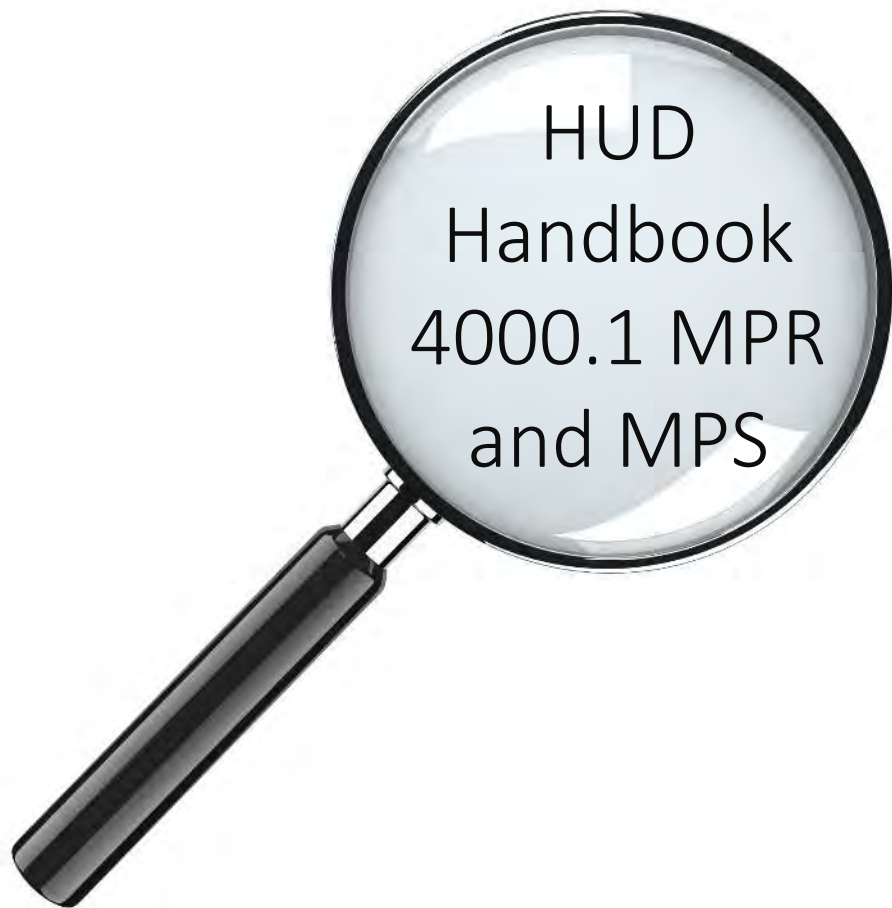


## Multiple Parcels

- Allowable if contiguous, covered by lien in entirety, and only 1 dwelling

*Residential in use, character, and design. Typical for the area.*

# Required Inspections



## 1 Inspection...That's it!

No additional inspections required by USDA unless required by the lender, appraiser, inspector, or state law.

*Environmental Impact Statement only required for new construction.*

NOTE: A safe water test is always required for properties with a private well.



# Single Close Construction

## INNOVATION



**There's always  
room for  
improvement!**

- Escrow up to 10% of purchase price, and up to 12-months of loan payments during construction.

**HOMEBUYER**  
Makes Building  
Affordable

**LENDER**  
Assumes Less  
Risk

- Loan Note Guarantee is issued prior to construction and sellable on secondary market.

**EVERYONE BENEFITS!**

**BUILDER**  
Keeps Their  
Capital

**REALTOR**  
Receives  
Timely  
Commission

- It's not tied up in the project.

- Paid at time of closing – prior to construction.

# Existing Manufactured Home Pilot Program

## INNOVATION



**There's always  
room for  
improvement!**

## MANUFACTURED AGE

- Must have been constructed on or after January 1, 2006.

## MODIFICATIONS

- Must be free of modifications with the exception of porches and decks that were built to engineered designs.

## LOCATION

- States included in the pilot are: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.

# Tribal Pilot Programs

## INNOVATION



**There's always  
room for  
improvement!**

### TRIBAL PROPERTY VALUATION PILOT

- Allows an alternative appraisal option to access the value of the property being purchase more accurately.

### THE TRIBAL REHABILITATION PILOT

- Ability for existing homeowners to obtain financing needed to make necessary repairs or renovations to their existing properties where they currently reside.

# Guaranteed Lender Training Options



## **On-Demand Training**

Learn at your own pace. Scenario based training.

## **1-on-1 with USDA**

Schedule live training for your staff.

## **USDA LINC Training & Resource Library**

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/lender-training>





## **USDA Lender & Partner Activities Team**

[sfhgld.lenderpartner@usda.gov](mailto:sfhgld.lenderpartner@usda.gov)

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# Single Family Housing *Direct Loan Program* Overview



Single Family Housing		GUARANTEED	DIRECT
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# HOMEBUYER Benefits

No down payment.

100% financing based on appraised value.

Fixed low interest rate with subsidy as low as 1%.

Not limited to first time homebuyers.

Extended payback term (33-38 yrs.)

# Certified Packaging

502 Direct Program	Packaging Type	Permissible Packaging Fee
	Certified Packaging Body Via an Intermediary	Up to \$2,000 split between certified packager and intermediary.
	Certified Packaging Body <u>without</u> an Intermediary	Up to \$1,750
504 Direct Loan and Grant Program	Packaging Type	Permissible Packaging Fee
	Public and private non-profit organization (tax exempt)	Up to \$750

- Certified packagers increase awareness of RD homeownership opportunities and assist with the application process.
- Packaging high quality application files to submit to RD local offices for review/approval.
- Assisting applicants to assemble the property information for submittal.

# How do you become a certified packager?



Have at least one year of affordable housing loan origination and/or affordable housing counseling experience; and be employed by a qualified employer



Complete an Agency approved 3-day classroom or virtual training course and pass the corresponding test



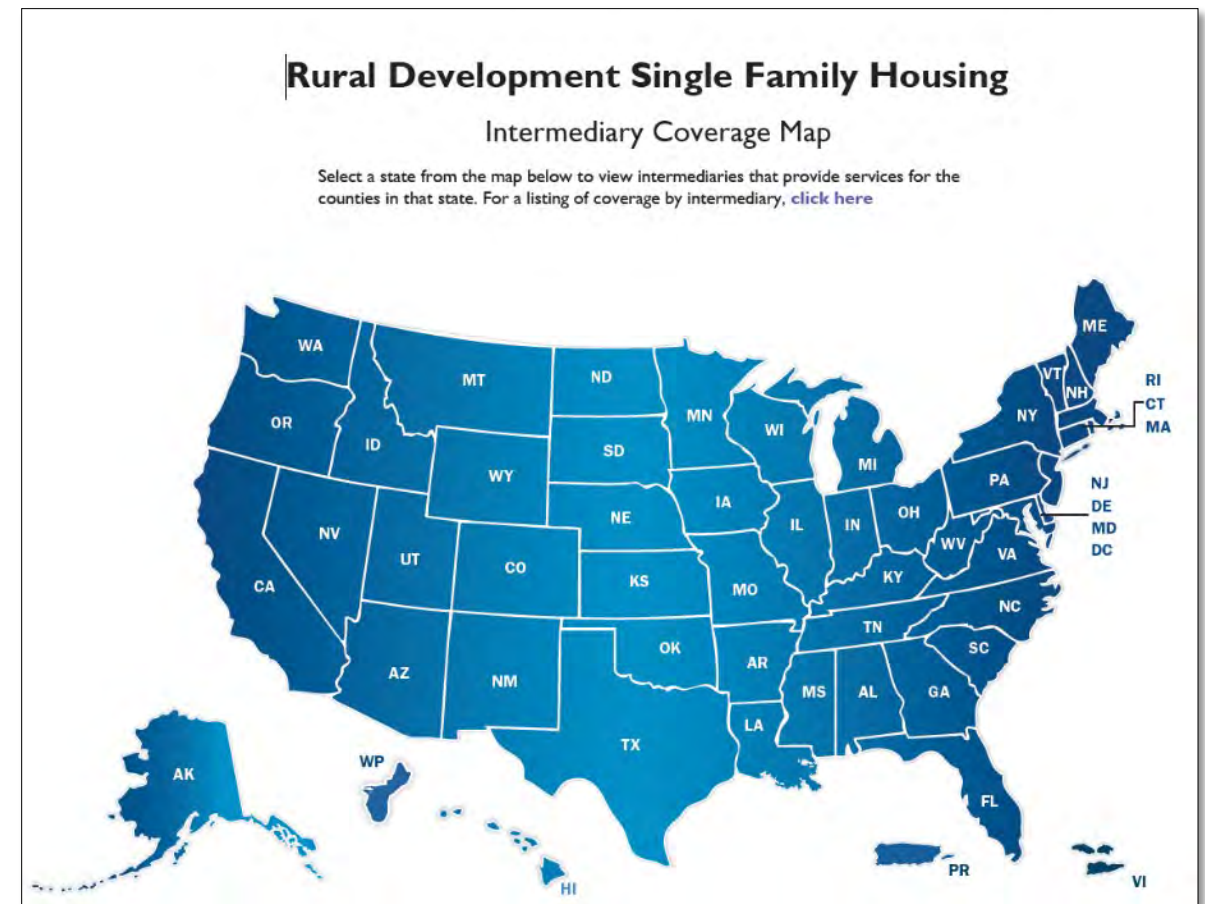
Packagers have one year from the date of being added to the certified packaging process to complete the course and pass the test. They may charge the full fee and submit applications during this time, provided they are submitting via an intermediary

# Who are the intermediaries?

The application packagers page provides an interactive map with intermediary service area and points of contact.

You can either click on a state to be taken to the contacts for that state, or for a complete listing of all intermediaries, select the “click here” feature just under the header.

<https://www.rd.usda.gov/programs-services/services/direct-loan-application-packagers>





# 504 Rehabilitation Loans & Grants

A photograph of a single-story house with grey horizontal siding and a brown metal roof. A woman in a purple shirt and black pants stands on the concrete steps leading to the open front door. A small child in a diaper stands inside the doorway. Two men are on the roof; one is standing near a large metal vent pipe, and the other is crouching down. A white plastic chair sits on the reddish-brown dirt ground to the right of the steps. The sky is clear blue.

## Loan Program

This program assists very low-income homeowners with a loan to repair, improve or modernize their home.

- Loans less than \$7,500 secured by note only
- 1% Fixed, 20 years repayment
- **Max. Loan \$40,000**



# 504 Rehabilitation Loans & Grants



## Grant Program

Grants to individuals (62+) very low-income homeowners to remove health and safety hazards in their home.

**Max. Grant: \$10,000**

## Rural Disaster Home Repair Grants

Grants to individuals at or below the low-income limit with damage from a presidentially declared disaster in calendar year 2022

**Max Grant: \$42,920**

# Rehabilitation Funding For Existing Homes

## 533 Housing Preservation Grant Program

- Grants for the repair or rehabilitation of housing occupied by low and very low-income people.
- Project must be in eligible rural area.
- Applications are accepted on annual basis through a Notice of Funding Availability published in the Federal Register.
- *Make sure you're signed up to receive GovDelivery notifications!*

<https://www.rd.usda.gov/programs-services/single-family-housing-programs/housing-preservation-grants>





# Self-Help Grant and Site Loans

## Site Loan Program

- Loans made to acquire and develop sites for low- or moderate-income families.
- Loan applicant may be private or public non-profit organization or a Federally Recognized Indian Tribe.
- Can be used on Tribal Trust Lands.
- Benefits: Lower cost of construction and working with one lender that is invested in the success of the project.



## Self-Help Grant Program

- Grant recipient supervises very-low and low-income individuals and families to construct/repair their own homes.
- Purchase price of home reduced by owner/builder's labor aka "sweat equity"- building cost of home typically covered by 502 loan.

# Native Community Development Financial Institutions (NCDFI)

Re-Lending Demonstration Program



# NCDFI Re-Lending Demonstration Pilot History

## Background

- The South Dakota Native Homeownership Coalition presented the initial demonstration proposal to USDA and it was approved in 2018
- Two NCDFIs (Mazaska Owecaso Otipi Financial and Four Bands Community Fund) each received an \$800,000 Section 502 direct loan from USDA.
- Both NCDFIs provided \$200,000 in matching funds bringing the total demonstration to \$2 million.
- As of November 17, 2022, the NCDFIs have closed a total of 16 loans on tribal lands in South Dakota.
- RHS will continue to monitor the demonstration.



# NCDFI Re-Lending Demonstration Pilot History (Con't)

## Subsequent Demonstration Loan – FY2022

- Mazaska Owecaso Otipi Financial - \$1 Million
- Four Bands Community Fund -\$3 Million
- We estimate 50 loans will be made





# Fiscal Year 2023 Consolidated Appropriations Act

- \$7.5 million to expand the demonstration program
- A Notice of Funding Availability was published in the [Federal Register](#) on May 18, 2023, outlines the competitive application process
- A [Corrected Notice](#), which was published on July 10, 2023, removes the requirement for matching funds to be provided by the applicant.
- Application were due by July 17, 2023, and 10 applications for a total of \$13.5 million were received.



# NCDFI Relending Demonstration Program

State	NCDFI Name	Amount
AK	Haa Yakaawu Fin. Corp	\$1,000,000.00
HI	Hawaii Comm. Lending	\$2,400,000.00
MI	Lake Superior CDC	\$ 500,000.00
MN	White Earth	\$ 800,000.00
MT	NACDC Fin. Services	\$1,000,000.00
NM	Native Comm. Capital	\$ 800,000.00
SD	Mazaska	\$ 500,000.00
SD	Four Bands	\$1,000,000.00
WI	WINLF	\$1,000,000.00

# NCDFI Relending Demonstration Program

**Andria Hively**

Branch Chief

Special Programs & Initiatives

Direct Loan Division

360-999-0252

[andria.hively@usda.gov](mailto:andria.hively@usda.gov)



# Resources

**Tribal Relations  
Specialist**

About RD

State Offices

Programs & Services

Programs

BioPreferred Program

Business Programs

Community Facilities Programs

Electric Programs

Energy Programs

Inflation Reduction Act Programs

Multifamily Housing Programs

Single Family Housing Programs

Homeowner Assistance Fund FAQs

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Water & Environmental Programs

Services

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# Single Family Housing Programs

English

Well built, affordable housing is essential to the vitality of communities in rural America. Rural Development's Single Family Housing Programs give families and individuals the opportunity to buy, build, or repair affordable homes located in [rural](#) America. Eligibility for these loans, loan guarantees, and grants is based on [income](#) and varies according to the average median income for each area.

Through the program options below, USDA Rural Development offers qualifying individuals and families the opportunity to purchase or build a new single family home with no money down, to repair their existing home, or to refinance their current mortgage under certain qualifying circumstances. There are also programs to assist non-profit entities in their efforts to provide new homes or home repair to qualifying individuals and families.

## For Homebuyers



### Single Family Housing Direct Loans

- Purchase or build with no money down in eligible [rural](#) areas
- Low or Very-Low [Income](#)
- Typically 33-year term with payment assistance available
- Apply directly with [Rural Development](#)

More Information



### Single Family Housing Guaranteed Loan Program

- Purchase or [build](#) with no money down in eligible [rural](#) areas
- Moderate Household [Income](#)
- 30-year fixed rates. Refinance options available
- Apply through an [active lender](#).

More Information

## RD's SFH Page

<https://www.rd.usda.gov/programs-services/single-family-housing-programs>



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<https://public.govdelivery.com/accounts/USDARD/subscriber/new?email=&commit=Sign+Up>



thank  
you

**Single Family Housing Guaranteed Loan  
Program**

E-mail: [sfhgld.lenderpartner@usda.gov](mailto:sfhgld.lenderpartner@usda.gov)

**Single Family Housing Direct Loan Program**

E-mail: [andria.hively@usda.gov](mailto:andria.hively@usda.gov)





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