



NEWS RELEASE

United States Department of Agriculture • Rural Development
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FOR IMMEDIATE RELEASE

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USDA Rural Development can Assist with Home Ownership, Improvements

Huron, SD – June 28, 2011 How is your house holding up against this stormy weather? Need a roof or a new air conditioner to keep you cool? How about your windows or flooring?

USDA Rural Development has money available for the 504 Home Repair Loan program for rural residents of South Dakota. These loans can be made for up to \$20,000 with a repayment term to 20 years at 1 percent interest rate.

This Loan program is available to very low income rural homeowners who need repairs or improvements to their home but cannot afford them on their own. Very low income is defined as household income no more than \$22,200 - \$27,700 for 2 people. The limits vary by county and household size.

Common repairs are window replacement, insulation, roof replacement/repair, new hot water heater/plumbing, heating and air conditioning repair or replacement, handicap accessibility and general home improvements. Other eligible purposes include plumbing improvements, septic systems, wells, public utility connection fees, and modifications to make a home accessible.

Grants of up to \$7,500 may be available to those 62 or older who cannot meet their home repair needs with loan funds. The grant funds can only be used to remove health or safety hazards.

Need a home of your own?

The USDA Rural Development 502 Direct Home Loan Program now is accepting applications. This is a 100 percent mortgage program that can include most closing costs and necessary repairs. The loan can be used to buy an existing home or to build new. The program is designed to give low income families the opportunity to become homeowners. As with the 504 Home Repair Loan Program, income limits vary by county and family size. The limits for a 4 person household range from \$44,400 - \$55,650.

The current interest rate is 4.250 percent as of July 1, 2011 and can be subsidized by Rural Development to as little as 1 percent for 33 years.

Income too high?

USDA Rural Development provides loan guarantees to lenders for mortgage loans that require no down payment and no private mortgage insurance. The Guaranteed Rural Housing Loan Program is similar to the 502 Direct Home Loan Program, but has higher income limits. A 1 to 4-person

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

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

household may qualify if their income does not exceed \$74,050 - \$80,300. Income limits vary by county.

For guaranteed rural housing loans, contact an approved lender. Most mortgage lenders in South Dakota are approved. Call Roger Hazuka, Housing Program Director, at (605) 352-1132 or roger.hazuka@sd.usda.gov for more information.

Additional information can be found at <http://eligibility.sc.egov.usda.gov/>. USDA Rural Development has eight offices in the state that assist rural communities. Office locations include a state office in Huron, along with area offices in Aberdeen, Mitchell, Pierre, Rapid City, Sioux Falls, Watertown, and Yankton.

USDA, under its Rural Development mission area, administers and manages more than 40 housing, business and community infrastructure and facility programs through a network of 6,100 employees located in 500 national, state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of more than \$134 billion in loans and loan guarantees.

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