



United States
Department of
Agriculture

Rural Development



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State Director: Reggie Taylor

USDA, Rural Development Mission

Helping people of rural Georgia
develop sustainable communities
and improve their quality of life.

Programs Available to Accomplish This Mission

1. Cooperative Services
2. Business Programs
3. Single Family Housing
4. Community Programs
5. Multi-Family Housing

RURAL AREA

Generally defined as areas with fewer than 35,000 population and not adjacent to an urbanized area.

Rural Area definition website:

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

The rural areas are delineated by census tracts and kept current by another government agency.

Section 502 Direct Loans



Purpose

- to provide home-ownership opportunities to rural families with very low and low incomes
- loans may be used to buy, build, improve, or repair rural homes

Average Income--

Rates and Terms

- **Current interest rate is 4.75%**
- **Interest rate maybe modified by payment assistance subsidy**
- **Loans maybe financed up to 33 years**
- **38 year terms are available for those with incomes below 60% AMI and who can not afford 33 yr term**
- **The term is 30 years for manufactured homes.**

Ineligible Counties

Bibb

Brooks*

Clarke

Chatham*

Cherokee

Clayton

Cobb

Coweta

Dekalb

Dougherty*

Fulton

Glynn

Gwinnett

Henry

Lee*

Liberty*

Lowndes*

Paulding

Richmond

Muscogee

Rockdale

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

Eligibility Requirements

- **Income must be w/in established guidelines**
- **Be unable to obtain sufficient credit from another lender**
- **Must personally occupy the dwelling**
- **Be a US citizen or provide acceptable evidence of eligible immigration status**
- **Have an acceptable credit history**
- **Demonstrate the ability and willingness to repay a loan**

SINGLE FAMILY HOUSING

Eligibility:

- **Very low income is defined as below 50 percent of the area median income (AMI).**
- **Low income is between 50 and 80 percent of AMI**

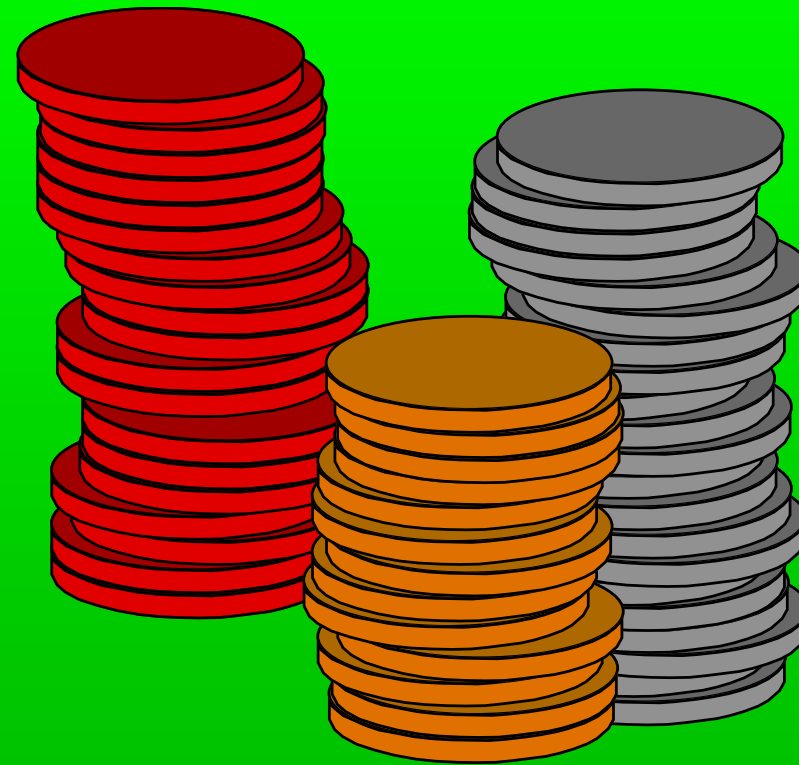
Section 502 Rural Housing Direct Loans

Eligibility:

* Applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories.

Repayment Ability

- **P**rincipal, **I**nterest, **T**axes and **I**nsurance (PITI ratio maximum is 33 percent)
- Total Debt ratio is 41 percent of gross monthly income



Credit

- Little or no credit history. The lack of credit history on the credit report may be mitigated if the applicant can document a willingness to pay recurring debts through other acceptable means such as third-party verifications or canceled checks. Due to impartiality issues, third party verifications from relatives of household members are not permissible.
- Payments on any installment account, on a per account basis, where the amount of the delinquency exceeded one installment for more than 30 days within the last 12 months.
- Payments on any revolving account, on a per account basis, which was delinquent for more than 30 days on two or more occasions within the last 12 months.
- A foreclosure that has been completed within the last 36 months.
- An outstanding Internal Revenue Service (IRS) tax lien or any other outstanding tax liens with no satisfactory arrangement for payment.
- Two or more rent or mortgage payments paid 30 or more days late within the last 2 years. If the applicant has experienced no other credit problems in the past 2 years, only 1 year of rent history will be evaluated. This requirement may be waived if the program loan will reduce shelter costs significantly and contribute to improved repayment ability.
- Outstanding collection accounts with a record of irregular payments with no satisfactory arrangements for repayment, or collection accounts that were paid in full within the last 6 months, unless the applicant had been making regular payments previously.
- Non-Agency debts written off within the last 36 months, unless the debt was paid in full at least 12 months ago.
- Agency debts that were debt settled within the past 36 months or are being considered for debt settlement.
- Delinquency on a federal debt.

Frequently asked questions

How much money is needed to close?

How long does it take to close?

What are the out of pocket expenses?

Single Family Housing Guaranteed

- Section 502 loans guarantees are primarily used to assist moderate income households purchase homes in rural areas. Funds can be used to build or purchase a home.

Single Family Housing 504 Program

Provides loans to very-low income homeowners to repair, improve or modernize their homes, or provide grants to elderly very low income homeowners to remove health and safety hazards.

Single Family Housing 504 Program

Maximum grant \$10,000

Maximum loan \$40,000

Combined \$50,000 if applicable

Single Family Housing 504 Program

Loans are repaid over 20 years.

Interest rate is 1 percent.

Full title service is required for loans greater than \$25,000.

Single Family Housing 504 Program

Grants have a lifetime amount of \$10,000.

Grants must be repaid if the property is sold in less than 3 years.

GA SFH TEAM

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USDA Rural Development is committed to the future of rural communities.