

Single Family Housing Repair Loans & Grants

Pilot Program (California, Hawaii, Illinois, Iowa, Kentucky, Maine, Mississippi, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Texas, Tennessee, Virginia, Washington, West Virginia)

What does this program do?

The Section 504 Home Repair program provides loans to very-low-income homeowners to repair, improve, or modernize their homes or provides grants to elderly very-low-income homeowners to remove health and safety hazards.

Who may apply for this program?

To qualify, you must:

- Be the homeowner and occupy the house
- Have a family income within the very-low-income limit
- For grants, be age 62 or older and not be able to repay a repair loan

What is an eligible area?

Generally, rural areas with a population less than 20,000 are eligible. Applicants may check the address of their home to determine eligibility [online](#).

How may funds be used?

- Loans may be used to repair, improve, or modernize homes or to remove health and safety hazards.
- Grants must be used to remove health and safety hazards.

How much money can I get?

- Maximum loan is \$40,000.
- Maximum grant is \$10,000.
- Loans and grants can be combined for up to \$50,000 in assistance.

What are the terms of the loan or grant?

- Loans can be repaid over 20 years
- Loan interest rate is fixed at 1%
- Full title service is required for loans exceeding \$25,000
- Grants have a lifetime limit of \$10,000
- Grants must be repaid if the property is sold in less than 3 years
- If applicants can repay part, but not all of the costs, applicants may be offered a loan and grant combination

Is there a deadline to apply?

Applications are available year round as long as funding is available, and are processed in the order they are received.

How long does an application take?

Approval times depend on funding availability in your area. Talk to a USDA home loan specialist in your area for help with the application.

How do I get started?

Contact a USDA home loan specialist in your area.

What law governs this program?

- The Housing Act of 1949 as amended, [7 CFR, Part 3550](#)
- [HB-1-3550](#) - Direct Single Family Housing Loans and Grants Field Office Handbook

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact your local office for assistance.

Find additional forms, resources, and program information at www.rd.usda.gov

More information and applications are available from your local USDA Rural Development area office.

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