

April 3, 2009

USDA has additional funding for guaranteed single family housing loans

U. S. Department of Agriculture, Rural Development has set aside \$173.4 million for single family home loans in Virginia. These loans are part of the first wave of guaranteed housing loans provided in the American Recovery and Reinvestment Act (ARRA) to help spur economic and home ownership opportunities in rural America.

Under the program, the Rural Development's Housing and Community Facilities Programs (HCFP) guarantees loans made by private sector lenders. The individual works with the private lender and makes his or her payments to that lender. An individual or family may borrow up to 100 percent of the appraised value of the home, which eliminates the need for a down payment.

These loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

Applicants for loans may have an income of up to 115 percent of the median income for their area. ([Link to income limits for areas in Virginia.](#)) Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.

Approved lenders under the Single Family Housing Guaranteed Loan program include, any state housing agency (e.g., Virginia Housing Development Authority); lenders approved by HUD, Fannie Mae or Freddie Mac; any Farm Credit System institution with direct lending authority; or any lender participating in other USDA Rural Development and/or Farm Service Agency guaranteed loan programs.

Individuals interested in this program should work through their local realtor or lending institution.

More information about the guaranteed single family home loan program is available [here](#).

VACo contact: [Ted McCormack](#).