



Committed to the future of rural communities.

Ohio—Rural Housing Service

Community Building

Teacher Gives USDA Rural Development an A—Plus

Outline Of Need:

Karen McGuire is a single mother of two living in Ohio's Highland County who was renting a home 20 miles away from her work and her children's school. "It was a very hectic lifestyle trying to keep up with after school activities and working two jobs and traveling back and forth 20 miles each way," she said.

How Rural Development Helped:

Karen applied for a loan through USDA, Rural Development's Section 502 Direct Home Loan program to purchase a home closer to her work and the children's school.

Rural Housing Direct Loans are loans that are directly funded by the Government. These loans are available for low- and very low-income households to obtain homeownership.

Applicants may obtain 100 percent financing to purchase an existing dwelling, purchase a site and construct a dwelling, or purchase newly constructed dwellings located in rural areas.

Mortgage payments are based on the household's adjusted



Karen McGuire, Section 502 Recipient, and her children in front of their new home in Highland County, Ohio.

income. Applicants for direct loans must have very low or low incomes. 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; moderate income is 80 to 100 percent of AMI. Click [here](#) to review area income limits for this program.

Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance, which are typically within 22 to 26 percent of an applicant's income. However, payment subsidy is available to applicants to enhance repayment ability. Applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories.

The Results:

The family found a home that was within walking distance to the school and when the weather is good they walk together as a family. Karen said she was never able to save up enough money for a down payment and the low interest rate USDA Rural Development was able to give her made it possible for her to purchase a home of their own.

Fast Facts

Program: Direct 502 Single Family Housing
Congressional District: OH-03

Demographics:

- Highland County, Ohio
- Population: 43,589 (2010 census)

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