



Committed to the future of rural communities.

Ohio—Rural Housing Service

Community Building

Group Effort Helps Family Obtain Suitable and Affordable Housing

Outline Of Need:

Sylvia Reed is a divorced mother of five children. The well had run dry and she and her children were hand-carrying water from a neighbor for all their drinking, cooking and bathing needs. Ms. Reed applied for a 504 loan for a well replacement. Although not a typical loan purpose, Ms. Reed became a prime candidate for 502 funds to refinance her existing conventional mortgage. However, her older, outdated cape-cod home did not appraise high enough to cover the amount needed to refinance her existing debt, plus make the repairs necessary to bring the dwelling up to USDA's minimum property standards.

How Rural Development Helped:

Ms. Reed was referred to the Miami County Planning and Zoning Department, the local administrator for the CHIP repair program in her county. She qualified for a major rehab that included updating the electrical wiring and breaker box, replacing all water supply lines in the house,



Sylvia Reed (center) with her five children.

new plumbing fixtures, replacing all windows and doors, replacing all kitchen cabinetry and the kitchen and bathroom flooring. All work was completed with a partially forgivable CHIP Repair Loan. Once the CHIP repairs were complete, USDA Rural Development stepped in and immediately began processing a new 502 Refinance Loan request. The new updated and repaired home easily appraised for a sufficient amount to refinance Ms. Reed's existing mortgage loan balance and pay her closing costs. Ms. Reed closed on her new USDA Rural Development loan provided through the American Reinvestment and Recovery Act (ARRA) funding.

Fast Facts

Program:

- Section 502 Direct Home Loan
- Section 504 Home Repair Loan for Emergency Well Replacement)

Partners:

- Miami County Planning & Zoning Department (CHIP Repair Program)

Congressional District: OH-08

Demographics:

- Miami County, Ohio
- Population:

Contact: alec.lloyd@mi.usda.gov

The Results:

Ms. Reed is thrilled with her newly rehabbed home. With the repairs that were completed under the CHIP program, her home is now virtually maintenance-free.

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