



NEWS RELEASE

United States Department of Agriculture • Rural Development

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USDA RURAL DEVELOPMENT REDUCES HOME LOAN INTEREST RATE

PALMER, February 5, 2009-USDA Rural Development has reduced its interest rate on direct home loans, Housing Director Deborah Davis said today. The new rate is 4.375 percent, and represents a one percent drop from the previous rate.

“This loan program makes it possible for more Alaskans to achieve the dream of homeownership,” Davis said. “I would encourage credit-worthy families and individuals who meet our income limit requirements to find out more about our direct home loan program.”

USDA Rural Development direct loans are available to eligible very-low and low income households to buy an existing home or purchase a newly constructed home in rural areas. Financing is available up to the full loan value, no down payment is required and eligibility is based on household size and family income. Applicants must have acceptable credit histories and manageable debt. Depending on household incomes, payment assistance may be available to reduce interest rates to as low as 1 percent. The standard loan term is 33 years.

Rural Development also has a “guaranteed” home loan program which is available through many Alaska lending institutions.

All areas of Alaska are eligible for Rural Development’s home loan programs except the Municipality of Anchorage, the City of Fairbanks and the City and Borough of Juneau. For more information contact the Alaska State Rural Development Office in Palmer at (907) 761-7705. USDA Rural Development also maintains offices in Bethel, Dillingham, Fairbanks, Kenai, Nome and Sitka. Further information on rural programs, including housing programs is available at any USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov/ak>.

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