



NEWS RELEASE

United States Department of Agriculture • Rural Development
210 Walnut • Room 873 • Des Moines, IA 50309
Phone: (515) 284-4663 • Fax: (515) 284-4110 • Web: <http://www.rurdev.usda.gov/ia>

Contact: Darin Leach, Public Information Coordinator
Phone: (515) 284-4747 (office); (515) 669-5691 (cell)
E-mail: Darin.Leach@ia.usda.gov

FOR IMMEDIATE RELEASE

USDA Rural Development has \$300 Million Available to Assist Iowans with Home Purchases

Program Features No Down Payment and Low Interest Rates for Qualifying Rural Residents

DES MOINES, Iowa – July 16, 2009 – Residents in Iowa looking to purchase a new home may be surprised to learn that the only no-down-payment programs still available are offered through the United States Department of Agriculture (USDA).

“Last year USDA Rural Development provided Iowans with \$128 million in guaranteed and direct loans to help 1,600 families living in rural communities become homeowners, many of whom now own their first home,” said Timothy Helmbrecht, USDA Rural Development Acting State Director in Iowa.

USDA Rural Development has up to \$300 million available in two low-interest, no-down-payment loan programs to help eligible families living in rural communities and areas purchase new homes. Loans and some grants are also available to help families make needed repairs to their homes as well.

Eligible homes must be located in a community of 20,000 persons or less. The home can be existing or new construction. Existing homes must be structurally sound. Also, the property cannot have any income-producing outbuildings.

In most cases a family of four with an adjusted annual income of up to \$73,600 may qualify for the agency’s guaranteed home loan program. If that same family of four’s adjusted annual income is less than \$50,800 they may also qualify for a direct loan from the agency. These income limits increase in communities located near metro areas.

USDA Rural Development’s guarantee loan program is administered by a local lender who takes the application, processes it and determines the acceptability of the home to be financed. Under the direct loan program an applicant may be eligible for payment assistance, which would subsidize the interest portion of the house payment down to as low as 1 percent, lowering the overall monthly payment.

“USDA Rural Development expects to provide as many as 3,000 Iowa families with mortgage loans this year thanks to additional funding through the American Recovery and Reinvestment and special disaster assistance as a result of last year’s flooding and extreme storms throughout Iowa,” Helmbrecht said. “We have plenty of funds available this year, so please give us a call today to learn more.”

-More-

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

USDA Rural Development is an equal opportunity lender with a variety of direct and guaranteed rural credit programs involving single and multi-family housing, community facilities, water and sewer development and business and industry programs.

Along with home mortgage loans, special funds are available from USDA Rural Development to assist with improvements to community facility and infrastructure projects such health clinics, community centers, public safety buildings and water and wastewater systems, as well as businesses and economic organizations looking to create jobs in rural communities.

Contact USDA Rural Development

Further information on programs available through USDA Rural Development is available by calling (515) 284-4663 or by visiting the agency's web site at www.rurdev.usda.gov/ia.

USDA Rural Development has 11 offices across the state to serve the 1.9 million Iowans living in rural communities. Office locations include a State Office in Des Moines, along with Area Offices in Albia, Atlantic, Humboldt, Indianola, Iowa Falls, Le Mars, Mount Pleasant, Storm Lake, Tipton and Waverly.

###