



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Up to \$20,000 in Assistance for First-Time Homebuyers Building in Black Otter Subdivision near Lone Tree *Various Tax Credits, Incentives and Grants Available to Eligible Families*

LONE TREE, Iowa – June 30, 2009 – Jan Finn-Takes and Dan Speed with USDA Rural Development were in Lone Tree today to participate in an event to discuss the availability of up to \$20,000 in various incentives for first-time homebuyers who build in Black Otter Subdivision. Black Otter Subdivision is located west of Lone Tree along Highway 22.

A wide variety of tax credits, incentives and grants are available to eligible families including a \$2,500 grant from the City of Loan Tree, a \$5,000 credit toward the purchase of a lot provided by the developers of the subdivision and a \$5,000 building credit if Yakish Construction, M & R Construction, and/or Magruder Construction are used as the general contractor.

Also, the American Recovery and Investment Act offers first-time homebuyers up to an \$8,000 tax credit, and USDA Rural Development offers 100 percent financing, no-down-payment home loan programs for qualifying families.

“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.

This event is one of more than 15 activities USDA Rural Development is helping organize in Iowa to celebrate National Homeownership Month in June, a time to reflect on the important role homeownership plays in American society, especially in rural America. Other events include housing fairs, housing workshops and lender recognitions and trainings.

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 amount.

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.

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Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”
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Along with loans to purchase a home, USDA Rural Development also helps existing homeowners with loans and grants to assist with removing health and safety hazards from the home, as well as make other needed improvements.

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.

Eleven USDA Rural Development offices in Iowa serve the 1.9 million Iowans living in rural communities and areas. 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.

The agency's mission is to deliver quality programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. USDA Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure.

Further information on rural programs is available at the local USDA Rural Development office in Tipton, which can be reached at (563) 886-6006, or by visiting the agency's web site at www.rurdev.usda.gov/ia