



# NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

## **USDA Rural Development Announces New Household Income-Limit Structure for Guaranteed Home Loans**

DES MOINES, Iowa – May 4, 2009 – Timothy Helmbrecht, Acting State Director for USDA Rural Development in Iowa, today announced a new two-tier income-limit structure for the agency's single family guaranteed home loan program.

The new structure has one limit for households up to four persons, and one limit from households of five to eight persons. The income limit structure for the agency's direct loan program will continue to have specific limits for each family size.

"Simplifying income limits into just two tiers will help applicants more easily understand the parameters of our guaranteed home loan program," Helmbrecht said.

Income limits vary by household size, where the house is located and which USDA Rural Development housing program is being used.

For example, a family of four living in a rural area<sup>1</sup> with an adjusted household income of up to \$73,600 can qualify for the agency's guaranteed home loan program. Adjusted household income is calculated by deducting qualifying expenses for minor children, including childcare, from a household's total income.

Income limits for the guaranteed and direct loan program have recently been increased.

USDA Rural Development's direct and guaranteed loan programs provide low-interest, no-down-payment loans to help eligible families living in rural communities and areas purchase new homes.

The 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.

No down payment is required for the direct loan program and the closing costs may be included in the loan. Under this 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.

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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, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

Eligible homes must be located in a community of 20,000 persons or less. The home can be existing or new construction and must meet, or be developed, up to the minimum thermal standard and be structurally sound. Also, the property cannot have any income-producing outbuildings.

Each year USDA Rural Development invests more than \$100 million in guaranteed loans, direct loans, grants and rental assistance that provide rural Iowa residents with decent, safe and sanitary single or multi-family housing. Rural Development also offers low-interest loans and grants to help eligible families make essential repairs to their home.

“During the past year USDA Rural Development assisted 1,600 Iowa families in buying their own home,” Helmbrecht said. “While economic development in rural areas can be accomplished in so many different ways, at its foundation is a community’s ability to provide its residents with decent, safe and affordable housing.”

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.

### **Contact USDA Rural Development**

USDA Rural Development has 11 offices across the state serving 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.

For more information about income limits please call USDA Rural Development at (515) 284-4663, contact a local Area Office or visit <http://eligibility.sc.egov.usda.gov/eligibility/>.

USDA Rural Development’s mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, 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 this and other programs offered by USDA Rural Development is available at [www.rurdev.usda.gov/ia](http://www.rurdev.usda.gov/ia).

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<sup>1</sup> Adjusted household income limits are higher for households in counties located near metro areas including Dallas, Guthrie, Harrison, Iowa, Johnson, Linn, Madison, Mills, Plymouth, Polk, Pottawattamie, Story, Washington and Warren Counties.