

PRESS RELEASE

FOR IMMEDIATE RELEASE
February 24, 2009

CONTACT: Maril Alsup Stockwell
Public Affairs Specialist
(413) 253-4314
maril.stockwell@ma.usda.gov

USDA LOWERS HOME LOAN INTEREST RATE

Amherst, MA – Effective February 1, the interest rate on USDA Rural Development home loans was reduced to 4.375 percent. “Home prices are at the lowest level in years. Low prices and the rate decrease make this an excellent time for eligible families to purchase a home in rural areas through the Rural Development program,” said Mary Grasso, Area Director for USDA Rural Development in Windsor, CT.

USDA Rural Development staff helped more than 174 homebuyers secure financing in rural Connecticut last year. By working with applicants up front to ensure they are financially ready for the responsibilities of homeownership, Rural Development also kept the delinquency rate on its home loans low in Connecticut. Rural Development housing programs help families and individuals in rural areas improve their economic security through affordable home loans and homebuyer education opportunities. In most cases Rural Development home loans may be made without a down payment.

Depending on an applicant’s income, monthly payments may be based on an interest rate as low as one percent. Loans are typically made for 33 years at a fixed interest rate. Monthly payment assistance may also be available for those who qualify.

Eligibility for assistance is based on family income and varies by county. Rural Development staff will help applicants calculate their adjusted family income and complete the application process. Rural Development also has very low-interest loans for home repairs related to health, safety and accessibility. Applicants must own their home. Those over age 62 may qualify for a home repair grant in some cases.

###