



NEWS RELEASE

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Rural Development Announces Funding for Rural Rental Housing Program

COLUMBUS, OHIO, February 8, 2006 - USDA Rural Development announces the availability of \$99 million in funding for the Section 538 Guaranteed Rural Rental Housing Program during Fiscal Year 2006.

"This program provides housing opportunities to thousands of families nationwide," said Rural Development State Director Randy Hunt. "Last year more than \$99 million was invested nationally through 66 loans, helping more than 6,000 families secure safe, affordable housing.

The 538 Guaranteed Rural Rental Housing Program's goal is to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between Rural Development, private lenders and public agencies. The housing is available to families or persons whose incomes at time of initial occupancy do not exceed 115 percent of area median income.

Ohio's Housing Program staff worked diligently to secure more than \$20 million of the available national funding. Working with area partners Ohio obligated 15 loans which funded construction of 677 housing units. Six of the loans funded family-based projects, six funded senior projects and three funded mixed residency projects. These partnership initiatives helped Ohio account for 22.7 percent of all 538 loans made nationally and earned the state repeated recognition as the nation's #1 housing program; a distinction Ohio has garnered the last three years in a row.

Rural areas with populations up to 20,000 are eligible. Terms of the loans guaranteed are 25 year minimum and up to 40 year maximum. Loan rates are fixed and negotiated between the lender and the borrower over the loan term. This year's funding includes options for revitalization, repair and transfer cost of existing direct Section 515 Housing.

For additional information on the Section 538 Guaranteed Rural Rental Housing Program please contact Melodie Taylor-Ward at 614-255-2418.

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