



USDA, Rural Development

502 Single Family Housing Direct Loan Program

www.rurdev.usda.gov/me

◆ OBJECTIVE

Assist rural Maine families in obtaining affordable housing

◆ ELIGIBLE APPLICANTS

Families or individuals who:

- ◆ Do not already own adequate housing
- ◆ Have an adjusted annual family income that does not exceed the low income limit for household size and county where home is to be located. Income limits are available at Rural Development offices and on the internet at: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Have an acceptable credit history
- ◆ Cannot obtain needed credit through conventional sources
- ◆ Are United States citizens or qualified aliens
- ◆ Have a Principal, Interest, Tax, and Insurance (PITI) ratio that does not exceed 29% for very low income families or 33% for low income families; and a Total Debt (TD) ratio that does not exceed 41%
- ◆ First-time home buyers will be required to complete an approved homeowner education course prior to closing

◆ ELIGIBLE PROPERTIES

- ◆ Must be located in rural areas of Maine. Based on population, some areas are restricted. Descriptions and maps are available at Rural Development offices and on the internet at: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Must be a modest dwelling; lot value cannot exceed 30% of the appraised value of the property; and cannot be large enough to be subdivided
- ◆ Cannot be an income-producing property
- ◆ Cannot be located in a flood hazard area
- ◆ Cannot contain an in-ground swimming pool
- ◆ Typically cannot exceed 2000 sq. ft. of living area

◆ LOAN PURPOSES

- ◆ New construction, purchase existing homes, repair loans
- ◆ New manufactured homes purchased through approved dealer/contractors
- ◆ Condominiums and Townhouses, if project accepted by HUD, VA, Fannie Mae, or Freddie Mac
- ◆ Closing costs that do not exceed 100% of market value
- ◆ Appraisal fee, tax service fee, initial escrow deposit and cost of homebuyer education course
- ◆ Refinancing non-agency debt, if past due on current loan for reasons beyond the family's control; and original loan was for Rural Development eligible loan purposes

◆ **RATES & TERMS**

- ◆ Competitive rates, available at Rural Development offices
- ◆ Subsidized rates are available to eligible applicants. Subsidy can reduce effective interest rate to 1%. Subsidy granted is subject to recapture
- ◆ Typically 33-year term; if the applicant qualifies, loans can be written for 38 years
- ◆ 30 years for new manufactured home loans
- ◆ No down payment required
- ◆ 100% loan to value financing, not to exceed loan limit for the area, available at RD offices

◆ **FEES**

- ◆ Credit Report: \$32 for individual or joint report
- ◆ Appraisal: \$425
- ◆ Tax Service: \$99

For more information regarding the Section 502 Direct Single Family Housing Program visit our web site at www.rurdev.usda.gov/me, or contact the Rural Development Area Office serving your county:

State Office

Virginia A. Manuel, State Director
Dale D. Holmes, Housing Program Director
967 Illinois Avenue, Suite 4
Bangor, ME 04401
Tel: (207) 990-9110

Presque Isle Area Office

Thomas R. Stevens, Area Director
735 Main Street, Suite 1
Presque Isle, ME 04769-5015
Tel: (207) 764-4155, Ext. 4

Aroostook, Washington, and
Northern Penobscot

Bangor Area Office

Lorrie J. Hamlin, Area Director
1423 Broadway, Suite 3
Bangor, ME 04401-2468
Tel: (207) 990-3676, Ext. 4

Hancock, Knox, Penobscot,
Piscataquis, Somerset, and Waldo

Lewiston Area Office

Orman E. Whitcomb, Area Director
254 Goddard Road
Lewiston, ME 0424
Tel: (207) 753-9400, Ext. 200

Androscoggin, Franklin, Kennebec,
and Oxford

Scarborough Area Office

William F. Bailey, Jr., Area Director
306 US Route 1, Suite B1
Scarborough, ME 04074-9774
Tel: (207) 883-0159, Ext. 4

Cumberland, Lincoln, Sagadahoc,
and York

Committed to the future of rural communities

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Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW,
Washington, D. C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).