

Guaranteed Rural Housing Loan Program

USDA Rural Development guarantees home loans made by banks, savings and loans, mortgage companies and other approved lending institutions. Funds can be used to purchase existing dwellings including repairs.

Think you are
Not rural?

Easy

Fast

Advantages for the HOMEOWNER



New Construction

Existing Homes

No Down Payment

- **New Construction** - Permanent loans may be guaranteed for new construction in rural areas, including the purchase of new manufactured homes.
- **Existing Homes** - Loans can be used for the purchase of existing homes in rural areas.
- No downpayment requirement.
- Loans may include closing costs, guarantee fee, legal fees, title service, cost of establishing an escrow account, and other prepaid items.
- No monthly mortgage insurance premium-lower monthly payment.
- 30-year fixed rate at market interest rates.
- No maximum loan amount.
- Refinancing of Direct and Guaranteed USDA Rural Development housing loans allowed.

Advantages for the LENDER

- Forms - Lender can use their forms to develop each loan and Rural Development loans can be closed using conventional type loan documents.
- 102 percent LTV - Total loan can exceed the appraised value only by the portion of the guarantee fee being financed, not to exceed 102 percent LTV.
- Ratios - 29 percent and 41 percent; compensating factors and ratio waivers may be considered.
- Seller contributions - no limits.
- Guarantee fee - 2.0 percent of the total loan amount. Refinance fee - 0.5 percent.
- Loan Guarantee - 90% of the principal amount of loan.
- Loans are accepted by Fannie Mae, Freddie Mac, and Ginnie Mae Pools.
- Loans can be closed using the Texas Housing Finance Agency's Bond Program.
- Assists lender in meeting CRA requirements.
- Commitments issued within 48 hours from receipt of a complete application.

This program fills a tremendous need for thousands of rural Texas families who have the income, but lack the downpayment ability.

Moderate Income Limits

Adjusted Income Limits
(Most Texas Counties)

Number in Household	Income Amount*
1-4 Persons	\$73,600
5-8 Persons	\$97,150

*Add 8 percent of a 1-4-persons income limit for each person in excess of 8 persons.

Moderate income is defined as the greater of 115 percent of the average of the state non-metropolitan and the statewide median family incomes, 115/80ths of the area low-income limit, or 115 percent of the U.S median family income.

Check out our Texas Housing web page: <http://www.rurdev.usda.gov/tx/hp.htm>

Think again.



Together we can make the American dream of homeownership a reality in rural Texas.

Visit our
Income and Property Eligibility website:
<http://eligibility.sc.egov.usda.gov>

- Find out if a property is eligible
- Calculate adjusted household income and compare it to current income limits.
- Find the adjusted income limits for all counties in the state.