

USDA/RuralDevelopment

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News Release

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USDA RURAL DEVELOPMENT FUNDS AVAILABLE FOR HOUSING IN RURAL AREAS

Rio Grande City, Texas, March 24, 2004— Bryan Daniel, State Director, USDA Rural Development announced today that federal funds are available for guaranteed rural housing loans.

To be eligible for financing the home must be located in a rural community with less than 10,000 in population, on a farm or in open country not closely associated with an urban area. Under certain circumstances loans can be made in towns and cities between 10,000 and 25,000 in population. Mr. Daniel states "never assume an area is not eligible; please call the Rio Grande City Office for details on eligible areas."

The guaranteed rural housing loan may be used to finance new or existing homes that are structurally sound and have certified mechanical, electrical, plumbing and insulation systems.

The interest rate is set by the lender. The loan may be made for up to 100 percent of the market value. There is no down payment required and the lender may loan some closing costs when the appraisal is above the amount of loan required to purchase or construct the dwelling. Theoretically, an applicant can move in with zero out of pocket expenses. However, typically, some out of pocket cash is required. The applicant must have acceptable credit and job history. All loans must be secured by a first lien on a residential property and the loan cannot be for investment property. Household income limits for Guaranteed Loans in Starr County are as follows: (1 person - \$46,300); (2 person - \$52,900); (3 person - \$59,500); (4 person - \$66,150); (5 person - \$71,400); and (6 person - \$76,700).

For more information regarding Rural Development programs, contact Elizabeth Gonzalez in the Rio Grande City Office at (956) 487-5576 ext. 4.

Rural Development, as an equal opportunity lender, makes loans or grants to individuals or groups and guarantees to approved lenders without regard to race, color, religion, sex, national origin, familial status, and handicap. Complaints of discrimination should be sent to: Secretary of Agriculture, Washington, D.C. 20250.

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The USDA Rural Development mission area was created in 1994 and includes the Rural Business-Cooperative Service, the Rural Housing Service, and the Rural Utilities Service. Its mission is to use the resources of USDA to provide an improved quality of life for the nation's 53 million rural people.

For more information on Rural Development programs in Texas, check our web site at <http://www.rurdev.usda.gov/tx/>.