



NEWS RELEASE

United States Department of Agriculture • Rural Development

101 South Main • Suite 102 • Temple, TX 76502

Phone: (254) 742-9710 • Fax: (254) 742-9709 • TDD: (254) 742-9712 • Web: <http://www.rurdev.usda.gov/tx>

Date: June 17, 2004

Contact Name: Scooter Brockette

Phone Number: 254-742-9711

Email: Scooter.Brockette@tx.usda.gov

TX.127.04

NATIONAL HOMEOWNERSHIP MONTH, 2004: USDA PROGRAM WORTHY OF NOTE

Temple, Texas – Owning a home helps to give families security and a sense of pride, and it is an important part of the American way of life. Although the U.S. population has increased and changed over the years, this traditional American pursuit today remains stronger than ever. The dream of ‘owning a place’ is strong in every region and among all peoples of our great land. It is the most American of material pursuits.

Rural Development at the U.S. Department of Agriculture (USDA) has helped millions of rural individuals and families purchase a home of their own and realize their dreams. As we celebrate National Homeownership Month, we’d like to highlight the key role that USDA Rural Development has played in providing homeownership opportunities to rural residents.

“USDA Rural Development has a long history of assisting rural citizens to achieve and maintain the dream of homeownership. Over the past 10 years, USDA Rural Development has assisted more than 15,000 households in purchasing a home in Texas. It is with great pride that we join President George W. Bush in celebrating June 2004, as Homeownership Month,” said Bryan Daniel, State Director for Texas.

According to recently released Census figures, the rate of homeownership in the U.S. — at 68.6 percent during the First Quarter of 2004 — continues at record levels in our cities and in the country, among all races and ethnic groups, for all age categories and among all levels of income.

The success is even greater in rural areas, though the rural poverty rate far exceeds that in metropolitan centers. At the end of 2003, a total of 75.6 percent of rural Americans owned their homes. In fact, the homeownership rate outside metropolitan areas has exceeded 70 percent for more than 37 years.

Contributing to this success in rural areas is the USDA Rural Development Section 502 Direct Loan program. Established by the Housing Act of 1949, the Section 502 Direct Loan program has assisted more than 2 million rural families in buying their own home. The program, which provides subsidies to make mortgage payments more affordable, has provided more than \$57 billion to help low-income rural Americans, who have been unable to obtain conventional mortgage credit, to share in the American dream.

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

The Direct Loan program makes home loans available to those with incomes less than 80 percent of the median in their area. A large portion is allotted to those with incomes below 50 percent of median. The loans require no down payment and feature installments reduced to a one-percent interest rate level. The goal is to help families, especially first-time buyers, become established in their homes and communities. As household income increases and property equity builds, the loan (including part or all of the assistance received) is repaid. This minimizes cost to the government. And, it works.

In addition to the Direct Loan program, USDA Rural Development also offers a repair loan and grant program for the poorest homeowners and a guaranteed loan program for those with slightly higher incomes. With these three programs, Rural Development in Fiscal Year 2003 helped nearly 60,000 rural Americans invest \$4.2 billion in their own homes. These programs have improved the quality of life in rural America by providing decent, safe and sanitary housing. They have created millions of successful homeowners. They have helped to build strong communities.

“Millions of homeowners later, this program and those that have followed are still providing what the Housing Act envisioned,” said Agriculture Secretary Ann M. Veneman.

In Texas during Fiscal Year 2003, Section 502 Direct Loans totaling \$63,514,000 were provided to more than 830 families to buy their own home. In addition, USDA Rural Development guaranteed more than 260 loans of \$21,769,831 from other lenders, allowing slightly higher income households to buy homes without down payment at competitive rates and terms. Another \$3,652,730 was provided in low-interest loans and grants for repairs and improvements to approximately 600 of the poorest rural households, especially the elderly.

USDA Rural Development is also helping to achieve President Bush’s goal of helping 5.5 million minority families attain the dream of homeownership by 2010. Under this plan, called the “Five Star Commitment,” the agency is lowering fees to reduce barriers to minority homeownership; doubling the number of self-help participants by 2010; increasing participation by minority lenders; promoting credit counseling and homeownership education, and; monitoring lending activities to ensure a 10 percent increase. In the Southwest border region, Rural Development is partnering with the Department of Housing and Urban Development in a cooperative effort to improve housing and economic conditions for residents of Colonias areas, which are typically populated by very low-income migrant farm workers and their families.

Now, during National Homeownership Month, that’s worthy of note!

USDA Rural Development is the lead economic development agency for USDA. For additional program information, you may also log onto the state's Rural Development website at: www.rurdev.usda.gov/tx.

USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to: USDA, Director, Office of Civil Rights, Washington, D.C. 20250-9410.

USDA Rural Development was created in 1994 and includes Business Programs, Housing Programs, and Utilities Programs. Its mission is to use the resources of USDA to provide an improved quality of life for the nation’s rural residents.