USDA Rural Development

NEWS RELEASE

United States Department of Agriculture • Rural Development
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Date: June 14, 2004

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TX.132.04

USDA RURAL DEVELOPENT CONDUCTS HAMILTON COUNTY OUTREACH DAY FOR HOME LOANS

HAMILTON, TEXAS, June 14, 2004 –USDA Rural Development representatives will be in Hamilton on Thursday, July 1, 2004, at the Neighbor-To-Neighbor Office, 200 East Gentry Street, from 1 PM to 3 PM to assist people interested in home ownership loans and home repair loans. Customers will be assisted on a first come-first served basis.

There are several programs available to provide assistance to very-low and moderate-income applicants. Loans are available depending on repayment ability, acceptable credit and the location of the home or building site.

The direct home ownership loan is designed to provide very-low and low-income applicants with financing to build, purchase, or repair homes to provide adequate affordable housing. Funds may also be used to modernize or repair a home already owned by an applicant. For moderate-income applicants, mortgage loans are available through the Guaranteed Rural Housing Program. Moderate income limits vary by the number of persons in a household, but for a family of four the limit is $66,150.

Two significant advantages of the direct loan program are that no down payment is required (there are closing costs) and there is no mortgage insurance. Loans may be made for up to 100% of the appraised market value, which may allow the closing costs to be included. The loan term is typically 33 years. The interest rate is fixed and is currently 5.875%. Payment assistance is available, based on family size and income, which may reduce the monthly interest payment to as low as one percent (1%).

USDA Rural Development loans and grants are limited to rural towns or rural areas. In this part of west Texas, the only areas not eligible would be within the Abilene metropolitan statistical area, including Tye and around Lake Fort Phantom.

Home repair loans and grants are also available for very-low income homeowners. Grant funds are only available to homeowners 62 and over who cannot repay a loan. Grant funds are used to remove health and safety hazards such as repairing roofs, heating, electrical, plumbing, water and waste disposal, handicapped accessibility, etc. Loan funds may be used to repair or modernize a home. The loan amount cannot exceed $20,000 and grant assistance may not

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exceed $7500. Loans under this program are made with a 1% interest rate and have a maximum term of 20 years.

All applicants must meet basic eligibility requirements such as being unable to obtain a loan from other conventional lending sources on terms they can afford; being without ownership of decent, safe and sanitary housing; have sufficient and dependable income for loan repayment, taxes, insurance, living expenses and other existing debts; possess the legal capacity to incur debt; and have an acceptable credit history. There are other criteria that must be met depending on the type of program and applicant is interested in.

If you wish, you may contact the USDA Rural Development office at any time by telephone at 325-643-1585, extension 4, or by mail at 2608 Hwy. 377 South, Suite A, Brownwood, Texas 76801. USDA Rural Development is an Equal Housing Opportunity Lender.

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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.

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