NEWS RELEASE

United States Department of Agriculture • Rural Development
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USDA RURAL DEVELOPMENT TO HOLD OUTREACH IN RUNNELS COUNTY

BALLINGER, Texas, July 2, 2004 - Representatives of the USDA Rural Development will be in Ballinger on Friday, July 16, 2004 at the USDA Service Center located at 2002 Hutchins Ave. from 10 AM to 2 PM. They will assist persons interested in home ownership loans and home repair loans and grants. Customers will be assisted on a first come-first served basis.

There are several programs available to provide assistance to very-low, 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, there is 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 home ownership loan program are that no down payment is required, and there is no requirement for 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 6.375%. 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 and San Angelo metropolitan statistical area.

There are also home repair loans and grants for very-low income homeowners. Grant funds are available to homeowners age 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. The home repair loan amount cannot exceed $20,000, and grant assistance may not exceed $7500. Loans under this program are made with a 1% interest rate and have a maximum term of 20 years.

Home improvement loans may include similar purposes, but may also be used to modernize and bring a home up to standards, make changes for convenience, add a room, remodel and make overall improvements to the home.

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.

For more information regarding USDA Rural Development programs, contact the Abilene Local Office at (325)-690-6162, Ext. 4.

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.

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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/.