



# NEWS RELEASE

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## **USDA RURAL DEVELOPMENT HAS HOMEOWNERSHIP LOANS AVAILABLE IN RURAL AREAS**

**ABILENE, TEXAS, January 6, 2005** - USDA Rural Development in Texas has Direct and Guaranteed loan programs available to provide homeownership opportunities to very low, low and moderate income applicants in rural communities and areas. Loans are available depending on repayment ability, acceptable credit and the location of the home or building site.

The Direct homeownership loan is designed to provide very low and low income applicants with financing to build, purchase, or repair homes to provide adequate affordable housing. The Guaranteed Rural Housing Loan Program is available for low and moderate income households. Two significant advantages of both programs are that no down payment is required (there are closing costs) and there is no mortgage insurance. The Guaranteed Rural Housing Loan may be made for up to 102% of the appraised market value, which may allow the closing costs to be included.

The Direct loan term is typically 33 years and may be for 100% of the appraised market value. The interest rate is fixed and is currently 6.0%. 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 was created in 1994 with a mission to increase economic opportunities for the nation's rural residents. For more information, please contact our Abilene office at (325) 690-6162, Ext. 4 or visit our website at <http://www.rurdev.usda.gov/tx/>.

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Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

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