



NEWS RELEASE

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USDA RURAL DEVELOPMENT ANNOUNCES PILOT TO INCREASE RURAL HOMEOWNERSHIP

TEMPLE, TEXAS, July 26, 2005 -Bryan Daniel, USDA Rural Development State Director announced today a new pilot effort by USDA Rural Development and Chase Home Finance to increase the availability of new home credit financing to provide more rural families the opportunity to achieve the dream of homeownership in Texas.

Secretary of Agriculture Mike Johanns said, "USDA and its partners in home construction and finance have responded to President Bush's recent challenge to add seven million new affordable homes to the market in the next 10 years. Through innovative partnerships, like the one announced today, more rural families will be better able to meet their housing needs and achieve the American Dream of homeownership."

"USDA Rural Development is pleased to team up with Chase Home Finance to pave the way of homeownership for rural Texans," said Daniel. "It is our goal to ensure that every rural Texan is offered all possible opportunities to obtain affordable housing."

The partnership effort will spur construction of more affordable homes for low to moderate income families living outside major urban centers and is a result of President Bush's challenge to public and private sectors to increase homeownership opportunities for more Americans.

Loan guarantees from USDA Rural Development will make it possible for Chase to offer 30-year fixed rate construction loans that finance 100 percent of the cost of building a new home – including the lot, construction costs, closing costs and interest payments while the house is being built. Homes may be built on individual tracts or subdivisions. Loans may be originated by licensed mortgage lenders and submitted to Chase Home Finance for underwriting.

The program allows eligible applicants to purchase a home without a down payment, with a limited cash outlay at closing. Loans are based on the applicant's repayment ability and offer significant savings on monthly mortgage payments because no mortgage insurance is required.

USDA Rural Development works to ensure that rural citizens can participate fully in the global economy by providing technical assistance, funding, and other programs that help rural Americans build strong economies to improve their quality of life. Homebuilders interested in seeking acceptance to participate in the program may contact (254) 742-9770. For further information regarding USDA Rural Development programs, visit our web site at <http://www.rurdev.usda.gov>.

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