



NEWS RELEASE

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USDA RURAL DEVELOPMENT ANNOUNCES THE AVAILABILITY OF \$99 MILLION FOR RURAL RENTAL HOUSING

TEMPLE, TEXAS, January 31, 2006 –Bryan Daniel, USDA Rural Development State Director, announced today USDA Rural Development is accepting applications for the Guaranteed Rural Rental Housing Program. Funding in the amount of \$99 million nationwide is available to guarantee loans for the construction, acquisition, or rehabilitation of rural multifamily housing.

“The Guaranteed Rural Rental Housing Program not only provides decent and affordable housing, but is an important component of USDA’s economic development efforts,” said Daniel. “The availability of affordable rental housing is often a key element in whether a business decides to locate or remain in a rural community.”

The Guaranteed Rural Rental Housing Program is intended to fund construction, acquisition, or rehabilitation of rural multifamily housing for low-income occupants. The program guarantees up to 90% of the amount of the loan from a private lender to a housing developer. Residents of the completed housing facility must be very low- to moderate-income households; or elderly, handicapped, or disabled persons with income not in excess of 115% of the median income of the surrounding area.

Eligible lending partners for the Guaranteed Rural Rental Housing Program are those approved and considered eligible by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, State Housing Finance Agencies, and a member of the Federal Housing Finance Board or the Department of Housing and Urban Development. Other lenders have the opportunity to enter into a correspondent bank relationship with approved lenders in order to participate in the program. The terms of the loans guaranteed may be up to 40 years, and the loans must be fully amortized.

Under Federal guidelines posted in the Notice of Fund Availability, interested and eligible lenders must submit loan applications to the USDA Rural Development State Office, Housing Programs, 101 South Main, Suite 102, Temple, Texas 76501 by June 16, 2006. For more information regarding the 538 Guaranteed Rural Rental Housing Program call Gayle Ledyard at 254-742-9770.

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