



Streamlined Changes to the Single Family Housing Repair Loan and Grant Program

Determining affordability for our home repair program is now easier than ever

USDA Rural Development has changed the [Section 504 Single Family Housing Repair Loan and Grant Program](#) to determine affordability based on income and a repayment ratio instead of a monthly household budget. We've also streamlined the process to make the program faster and more efficient. USDA can reach more rural homeowners living in extreme poverty.

Streamlined changes:

- Applicants living in extreme poverty could be eligible for 100% grant assistance up to the allowable \$7,500 maximum lifetime limit for eligible project costs.
- **Affordable loans** at a fixed 1% interest rate. A minimum \$1,000 loan, **only \$4.60 per month** or 15 cents per day.
- **Qualified homeowners may receive a maximum loan** of \$20,000 at a fixed 1% interest rate. Loans and grants may be combined for up to **\$27,500** in total assistance.
- **Very-low-income homeowners** with a repayment ratio between 30% to 46% may be eligible for a **50% loan and 50% grant**.
- Grant recipients must be age 62 or older.

Become a Housing Packager

- Any public, tribe, or private nonprofit organizations tax exempt under Internal Revenue Code can become a packager.
- Packagers may **earn** up to **\$500** per closed loan.
- No certification is required.
- New **automated worksheet** identifies the type of assistance a homeowner may receive.

Eligible areas

Generally, rural areas with a population less than 35,000 are eligible. Applicants may [check the address](#) of their home to determine eligibility online.

Governing laws

- The Housing Act of 1949, as amended, [7 CFR Part 3550, Subpart C](#)
- [HB-1-3550](#), Direct Single Family Housing Loans and Grants Field Office Handbook
- [Procedure Notice 504](#), changes to HB-1-3550

Grant Program

- Household income up to 30% of the Area Median Income limit or have monthly total debt (TD) greater than 46%.

Loan Grant Combination Program

- Household adjusted income below 50% of the Area Median Income limit.
- Monthly total debt (TD) between 30%-46% may qualify for combination loan and grant.
- Monthly total debt (TD) less than 30% may qualify for up to a \$20,000 loan only.

To learn more, contact your [local office](#) for assistance.