

FAQs

USDA 504 Home Repair Loan and Grant

How much can I borrow?

- \$20,000 Maximum Loan Amount
- \$7,500 Limit on Grant Funds

**If needs exceed limit, grants can be combined with loans.*

What about credit?

- Must demonstrate a good credit history and the ability to repay
- Non-Traditional Credit is acceptable in some cases

What is the interest rate and term for the loan?

- 1% Interest Rate
- 20 year loan term

**If you borrow \$5000 at 1% interest, your cost is \$23 a month*

Are there any income guidelines?

- Must be very low income
- Income limits vary by county

What are the property requirements?

- Must own and occupy the home
- Must be in an eligible rural area

What repairs are eligible for loan funds?

- Those needed to remove a health hazard, as well as cosmetic improvements

**Examples: New Roof / New Siding / New Windows / Foundation Repairs / New Kitchen Cabinets / New Septic System / New Furnace or AC.*

Are there any other requirements for the grant?

- Must be 62 years of age or older
- Must show an inability to make loan payments
- Must not sell the property for 3 years
- Grant funds may only be used to remove health/safety hazards and for accessibility modifications

What else should you know?

- If HomeStart provides the packaging services, there is a \$150 fee that is charged at closing. This fee only applies if the loan closes. **There is no packaging fee for the grant.*



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