

# RURAL HOUSING PROGRAMS



## ABOUT THE PROGRAM

Today, about 6.1 million Veterans—28 percent of all Veterans—live in rural areas. It is estimated that roughly 15 percent of the general homeless population lives in rural or mostly rural areas, and a portion of these individuals are Veterans. Although the U.S. Department of Veterans Affairs and U.S. Department of Housing and Urban Development both offer housing and supportive services to Veterans in all areas, the U.S. Department of Agriculture (USDA) Rural Housing Service operates several programs that

can specifically help rural Veterans who are homeless or at risk of homelessness to secure permanent housing.

The loan and grant programs described below—referred to by their applicable section in the Housing Act of 1949—are for very low-, low-, and moderate-income rural residents. Though not exclusively for Veterans, former service members who meet the program criteria can participate regardless of whether they qualify for VA benefits and services.

## SECTION 502 RURAL HOUSING DIRECT AND GUARANTEED LOANS

This program offers direct and guaranteed home loans in rural areas. To qualify for either type, applicants must:

- Have an adjusted income that is below the applicable income limit for the county.
- Be able to afford mortgage payments and have reasonable credit histories.
- Choose homes that are modest, meet local building standards, and are in an eligible rural area.

Income limits and eligible rural areas can be viewed online at <https://eligibility.sc.egov.usda.gov/eligibility/>.

Specific criteria for each type of Section 502 loan includes:

**Direct Loans.** These loans are made directly from Rural Development to low-income and very low-income applicants to buy, build, improve, or repair homes in rural areas.

*Subsidized interest rates can be as low as 1%, with a term of 33 years (or 38 years for very low-income applicants who cannot afford the 33-year term). No down payment is required.*

For more information, visit [www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-direct-home-loans](http://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-direct-home-loans).

**Guaranteed Loans.** These loans assist up to moderate-income rural households who want to build or purchase a home. These 30-year fixed-rate loans do not require down payments, although borrowers must use an approved lender and demonstrate a willingness and ability to repay the loan.

For more information, visit [www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-guaranteed-loan-program](http://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-guaranteed-loan-program).

VA



U.S. Department  
of Veterans Affairs



National Call Center  
for Homeless Veterans  
**877-424-3838**  
[va.gov/homeless](http://va.gov/homeless)

## SECTION 504 RURAL HOUSING REPAIR AND REHABILITATION

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Very low-income homeowners, including Veterans, who are 62 years or older can access the following grants and loans to renovate their homes or remove specific health and safety hazards:

- **Section 504 Grants.** This grant program offers up to \$10,000 to homeowners to remove safety or health hazards from their home through repairs or make it accessible for a household member with a disability.
- **Section 504 Loans.** Twenty-year loans of up to \$40,000— fixed at one percent interest—are also available to qualifying borrowers.

Some applicants may qualify for a combined grant and loan payment of \$50,000, which can be used for home renovations.

For more information, visit [www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants](http://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants).

## SECTION 533 HOUSING PRESERVATION GRANT

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These grants are used to repair or rehabilitate deteriorating homes and rental housing for low-income and very low-income rural residents. Funding is awarded to nonprofits, state and local governments, and Native American tribes to conduct renovations. Assistance is also available to rental property owners to repair and rehabilitate their units for very low- and low-income tenants.

For more information, visit [www.rd.usda.gov/programs-services/single-family-housing-programs/housing-preservation-grants](http://www.rd.usda.gov/programs-services/single-family-housing-programs/housing-preservation-grants).

For more information about USDA's rural housing programs, visit [www.rd.usda.gov/programs-services/single-family-housing-programs](http://www.rd.usda.gov/programs-services/single-family-housing-programs).

File applications through your local USDA Service Center. Find a location near you by visiting [www.rd.usda.gov/browse-state](http://www.rd.usda.gov/browse-state).

VA



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