

504 Single Family Repair Loans and Grants

Purpose of the Program:

- To provide direct loan and/or grant funds to very-low income applicants who do not qualify for conventional bank financing, for the repair of their dwelling.

Eligibility Requirements:

- Must own the dwelling to be repaired, maintain a life estate or long term leasehold.
- Must be a US Citizen or permanent resident.
- Must be able to personally occupy the dwelling.
- Must have adequate and dependable income to repay a loan.
- Must have a good credit history (for loan application).
- For a grant request; must show the inability to repay a loan.
- For Grants: applicant or co-applicant must be 62 or older and unable to afford a loan or portion thereof at 1% interest for up to 20 year terms (Grant and Loan Combinations may be considered.)
- Outside debt should be minimal.
- Must have total household income that does not exceed the Rural Development very-low income limits.
- Must lack personal resources (e.g., cash, securities, real estate other than home and home-site) that can be used to meet repair needs.

Eligible Loan and Grant Purposes:

- Grant funds may be used to pay costs of repairs or improvements which are identified health or safety hazards.
- Loan funds may also be used to remove health and safety hazards but are also available for modernization or home improvement.

Housing Requirements:

- Homes must be brought into good repair with loan/grant funds.
- Homes must be located in a rural area (see income limits worksheet enclosed for ineligible areas.)
- Not all deficiencies need to be corrected to be eligible.
- Repairs to mobile homes can only be approved when the applicant owns the site and the home is or will be placed on a permanent foundation and health or safety hazards are to be removed. Homes in Mobile Home Park Cooperatives and some non-profit owned Mobile Home Parks may be eligible for assistance.
- Properties must generally have access (either direct or via private right of way) to a town owned or maintained road.

Loan Rates and Terms:

- These loans are 1% fixed rate loans with a maximum 20 year amortization.

Payments:

- Monthly payments for a 20 year term are \$4.60 Per Month for each \$1,000 borrowed.

EXAMPLES OF MONTHLY PAYMENTS:

<u>Amount Borrowed</u>	<u>Monthly Payment</u>
\$1,000	\$4.60 / month
\$5,000	\$23 / month
\$10,000	\$46 / month
\$15,000	\$69 / month
\$20,000	\$92 / month

For elderly households who are considering applying solely for grant funds: your budget must indicate that you cannot afford these loan terms, for your repair needs or any portion thereof.

Ineligible Loan Purposes:

- Cannot finance income-producing property.
- Cannot finance the purchase of a dwelling.
- Property cannot have an in-ground pool.
- Dwelling should not be in a flood hazard area.
- Cannot finance furniture or other personal property.
- Cannot finance camps or duplexes.

Maximum Loan and Grant Amounts:

- Maximum loan amount is \$20,000.
- Maximum combination loan and grant amounts are \$27,500.
- Loans cannot exceed appraised values.
- Loans greater than \$7,500 are secured by a Promissory Note and a Real Estate Mortgage.
- Loans up to \$7,500 are secured by a Promissory Note.
- Maximum lifetime grant amount is \$7,500.

Maximum Adjusted Income Limits:

On the following pages are Household Income Limits for New Hampshire and Vermont. If your current income exceeds these limits or your household size is larger than 5 people, ask Rural Development about adjustments to income: ex. dependent children, child care expenses, disabled, handicapped and elderly applicants or co-applicants.



Social Security Statements:

Social Security Statements are now available at www.socialsecurity.gov. The new online Statements provide eligible workers with access to a history of their Social Security earnings and projected benefits. You can get estimates for retirement, disability and survivors' benefits, so these statements can be an important financial planning tool.

At the Social Security website, you'll be asked to provide information about yourself that Matches Information already on file with Social Security. Experian, a major credit bureau, provides additional verification. After your identity has been verified, you can create a "My Social Security" Account with a user name and password for access to your online Statement.

These statements not only can help with financial planning, they also provide you with a Convenient way to check that your earnings are accurately posted to your Social Security Records. Social Security benefits are based on average earnings over your lifetime; if the earnings information is not accurate, you may not receive all the benefits to which you are entitled. Thus, viewing your statement gives you the opportunity to correct any errors that are on file.



DIRECT 504 REPAIR GRANTS AND LOANS
www.rd.usda.gov/nh ; www.rd.usda.gov/vt

INCOME LIMITS WORKSHEET TO FIGURE YOUR ADJUSTED FAMILY INCOME
VERMONT

Applicant's gross income per year (Current gross weekly income x 52) include annual overtime _____
 Co-applicant's gross income per year (Current gross weekly income x 52) include annual overtime _____
 Other Applicant Household income (Annual Amounts) (i.e. Social Security, Pension Income, VA _____
 Benefits, Child Support, Annual Bonuses etc.) _____
 Other Household members: Include gross annual income from all sources _____
 Subtract Child Care Expenses (Expenses for child care while at work) _____
 Subtract \$480.00 for each child _____
 Adjusted Household Income _____

If you are elderly or disabled ask the Rural Development staff for additional deductions to which you may be entitled.

All applicants must have Adjusted Household Income at or below the "very low" RD published income limits according to your household size as noted below. If your household exceeds the 6 person limit, please contact any Rural Development office to obtain the income threshold.

VERMONT - MAXIMUM INCOME LIMITS (REVISED 04-01-2015)

COUNTY	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
Addison County	\$25,700	\$29,350	\$33,000	\$36,650	\$39,600	\$42,550
Chittenden, Franklin and Grand Isle Counties	\$28,700	\$32,800	\$36,900	\$40,950	\$44,250	\$47,550
Bennington County	\$22,650	\$25,900	\$29,150	\$32,350	\$34,950	\$37,550
Caledonia, Essex and Orleans Counties	\$22,650	\$25,900	\$29,150	\$32,350	\$34,950	\$37,550
Lamoille County	\$24,050	\$27,450	\$30,900	\$34,300	\$37,050	\$39,800
Orange County	\$23,400	\$26,750	\$30,100	\$33,400	\$36,100	\$38,750
Rutland County	\$23,000	\$26,300	\$29,600	\$32,850	\$35,500	\$38,150
Washington County	\$25,900	\$29,600	\$33,300	\$36,950	\$39,950	\$42,900
Windham County	\$22,950	\$26,200	\$29,500	\$32,750	\$35,400	\$38,000
Windsor County	\$25,650	\$29,300	\$32,950	\$36,600	\$39,550	\$42,500

Loans cannot be made in Burlington, South Burlington, Essex Junction and Winooski, and the Southeastern part of Colchester, due to Population Density.