



Single Family Housing 502 Direct Loan Program

What does this program do?

- Assists low- and very-low income applicants obtain decent, safe, and sanitary housing in eligible rural areas
- Provides payment assistance to increase an applicant's repayment ability
- Offers a 100% loan to eligible applicants
- Provides a 33 year payback period, and up to 38 years for eligible applicants
- Offers a fixed interest rate, currently 2.5%

Who may apply?



- Must have an adjusted income that is at or below the applicable low-income limit for the area they wish to buy in
- Be without decent, safe, and sanitary housing
- Be unable to obtain a loan from other resources on terms and conditions they can reasonably be expected to meet
- Agree to occupy the property as their primary residence
- Have the legal capacity to incur a loan obligation
- Meet citizenship or eligible non-citizen requirements
- Not be suspended or debarred from participation in federal programs
- Be creditworthy – streamlined credit for scores 640< and no significant delinquency and no Federal delinquent debt

How may the funds be used?

Loan funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate, or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

How much may I borrow?

The maximum loan amount an applicant may qualify for will depend on the applicant's repayment ability. The applicant's ability to repay a loan considers various factors such as income, debts, assets, and the amount of payment assistance applicants may be eligible to receive. Regardless of repayment ability, applicants may never borrow more than the area loan limit (plus certain costs allowed to be financed) for the county in which the property is located.

Current area loan limits for Kansas – \$285,000 for all counties except the following: Wyandotte, Miami, Linn, Leavenworth, and Johnson – these 5 counties are \$311,800.

Property Eligibility



- Be located in an eligible area
- Be modest in size for the area
- Not have market value in excess of the applicable area loan limit
- Not have in-ground swimming pools
- Not be designed for income producing activities

Eligible Areas



<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpc>

Payment Assistance



- Borrowers are required to repay all or a portion of the payment subsidy received over the life of the loan when the title to the property transfers or the borrower is no longer living in the dwelling.
- The monthly mortgage payment, when modified by payment assistance, may be reduced to as little as an effective 1% interest rate.

How long does an application take?

Processing times vary depending on funding availability and program demand in the area in which an applicant is interested in buying and completeness of the application package.

Applications for this program are being accepted through your local RD office year round.

Hays Office

2715 Canterbury
Hays KS 67601
(785) 628-3081

Iola Office

202 W Miller Rd
Iola KS 66749
(620) 365-2901

Newton Office

1405 S Spencer Rd
Newton KS 67114
(316) 283-0370

Topeka Office

1303 SW 1st American Pl
Topeka KS 66604
(785) 271-2700

Also accepting applications via fax at (877) 470-3801 or email at KS.Direct@ks.usda.gov



Single Family Housing 504 Home Repair Loan/Grant Program

What does this program do?

- Provides very-low income homeowners loans to repair, improve or modernize their home
- Provides grants to elderly very-low income homeowners to remove health and safety hazards

Who may apply?



- Be the homeowner and occupy the house
- Be unable to obtain affordable credit elsewhere
- Have a family income below 50 percent of the area median income
- For grants, be age 62 or older and not be able to repay a repair loan
- Loans – creditworthy – streamlined credit with 620+ score, no significant delinquency
- Loans/grants - no delinquent Federal debt

How much money can I get?

- Maximum loan is \$20,000.
- Maximum grant is \$7,500.
- Loans and grants can be combined for up to \$27,500 in assistance.
- Exceptions to the maximums may be considered

Loan Terms



- Loans can be repaid over 20 years.
- Loan interest rate is fixed at 1%.
- Full title service is required for loans of \$7,500 or more.
- Grants have a lifetime limit of \$7,500.
- Grants must be repaid if the property is sold in less than 3 years.
- If applicants can repay part, but not all of the costs, applicants may be offered a loan and grant combination.

How long does an application take?

Processing times vary depending on funding availability and program demand in the area in which an applicant is interested in buying and completeness of the application package.

Applications for this program are being accepted through your local RD office year round.

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Single Family Housing Guaranteed Loan Program

What does this program do?

- This no down payment, 100% financing program assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas.
- Eligible applicants may purchase existing homes (which may include costs to rehabilitate, improve or relocate the dwelling) or build new.
- USDA provides a loan note guarantee to approved lenders, encouraging participation by minimizing their risk.
- This program is NOT restricted to first-time homebuyers.

Who may apply?



- Have a household income that does not exceed 115% of median household income.*
- Agree to occupy the dwelling as their primary residence.
- Be a U.S. citizen, U.S. non-citizen national, or Qualified Alien.
- Be unable to obtain conventional financing with no private mortgage insurance (PMI).
- Not be suspended or debarred from participation in federal programs.

How do we get started?

Interested applicants can apply for a Section 502 Guaranteed Loan through any approved USDA Rural Development lender. We encourage you to contact your preferred lender and ask if they are an approved lender with USDA Rural Development.

<https://www.rd.usda.gov/sites/default/files/RDGRH-AllStatesList.pdf>

More Information

To determine Property and Income eligibility
visit our Eligibility website at:

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>

Or contact one of our local offices:

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