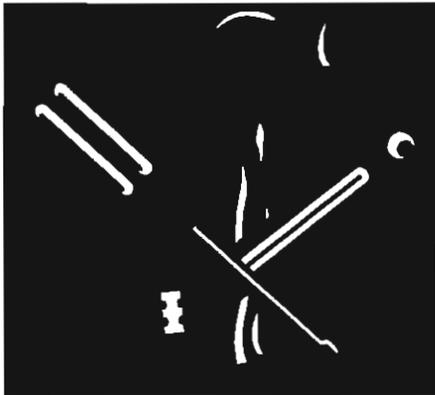


HOME IMPROVEMENT LOANS AND GRANTS

PROVIDED BY
USDA,
RURAL DEVELOPMENT

USDA SERVICE CENTER
140 Highland Drive, Suite 5
LEBANON, VA 24266
(276) 889-4650, EXT. 123 or
102



REPAIR LOANS AND GRANTS

A rural homeowner whose home needs repairs may be eligible for a loan and/or grant from Rural Development. The agency provides assistance to people who may not need or cannot afford a new house, but may require work done on their present house to bring it up to minimum standards, or to remove health or safety hazards from the dwelling. Grants are made only to very low-income elderly homeowners, 62 years or older.

How may funds be used?

Generally, repair grants may be used to remove health and safety hazards by repairing roofs, providing a sanitary water and waste disposal system, installing screens, windows, insulation, or taking other steps to make the home safe.

Loans may include similar purposes, but may go further by making changes for the convenience of the resident, such as painting, floor covering, or otherwise modernizing the house.

Who may qualify?

Repair loans/grants are offered to help families or persons with very low incomes. They must:

1. Own and live in a home located in a rural area that is in need of repairs. (In some cases a life estate can be accepted)
2. Be unable to obtain a loan from other sources.
3. The homeowner must be 62 years or older to qualify for a grant or a combination loan/grant.
4. FOR A LOAN – Have sufficient income to pay current house payments, taxes, insurance, necessary living expenses, and the proposed loan. Repayment ability will be determined jointly with Rural Development by completion of a family budget.
5. FOR A LOAN – Have a history of paying current payments and credit accounts as promised.

Are all rural homes eligible for assistance?

Homes that will have major health or safety hazards after all assistance is considered are not eligible.

Existing mobile homes that are permanently situated on the real estate may be eligible.

What are the loan / grant terms?

Very low-income families can receive up to \$20,000 in the form of a loan and/or \$7,500 in the form of a grant, depending on their eligibility. There is a lifetime limit of \$7,500 in the case of a grant.

Loans will be repaid over a period of up to 20 years depending on the applicant's repayment ability. Loans are made at 1% interest.

Grant recipients must agree not to sell the house for a period of 3 years.

What security is required?

A real estate mortgage is required for loans of more than \$7,500. If income is inadequate for loan repayment, a co-signer may be considered.

Maximum Income Limits: (Based on Household Size and County)

SIZE OF HOUSEHOLD	HOUSEHOLD				
	1	2	3	4	5
Scott	17300	19800	22250	24700	26700
Lee	18700	21350	24000	26650	28800
Wise	18700	21350	24000	26650	28800
Wash.	17300	19800	22250	24700	26700

(Contact Rural Development for income limits if your household size exceeds five persons.)

Rural Development is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to: Director, Office of Civil Rights, Washington, D.C. 20250-9410.