

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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