

## 504 Home Repair Loans & Grants

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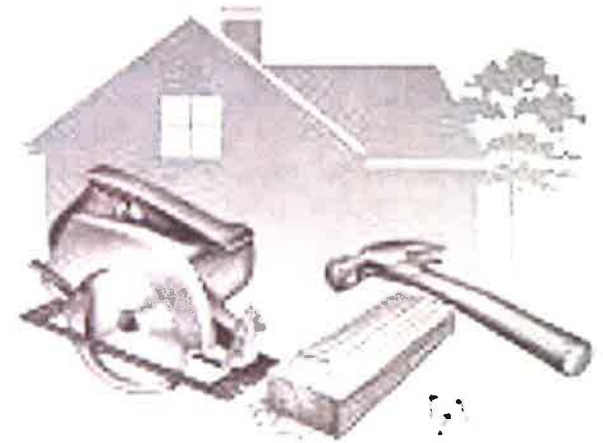
**For more information  
or to apply to the  
504 Home Repair Program:**

(717) 237-2186

USDA Rural Development  
359 East Park Dr, Ste 4  
Harrisburg, PA 17111

Website:  
<http://www.rd.usda.gov/pa>

Email:  
[pagrh@pa.usda.gov](mailto:pagrh@pa.usda.gov)



**Repair funding for income  
eligible homeowners in  
rural areas**



USDA Rural Development recognizes the home repair needs of eligible rural homeowners. 504 program funding is available to assist very-low income and other income eligible rural homeowners to make necessary repairs.

#### **504 GRANT**

The 504 Grant Program is available exclusively to very-low-income rural seniors aged 62 or older. The maximum lifetime grant amount is \$7,500. \* Grant qualification will be determined by the assessment of an applicant's ability to repay potential loan funding.

#### **504 GRANT TERMS**

Grant agreement signed at closing, states that if the home repaired with grant funds is sold within three years of the grant approval, the full amount of the grant will be repaid.

"USDA is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

#### **504 LOAN**

Applicants must have adjusted household incomes below the very low-income limits listed on the web site and be able to show repayment ability for the loan requested. Maximum outstanding balance must not exceed \$20,000.

#### **504 LOAN RATES & TERMS**

- 1% interest rate;
- Maximum term is 20 years, term determined based on ability to repay; and
- Mortgages taken on loans of \$7,500 or more.

The payment on a \$5,000 1% loan is only \$23/month (20 year term).

#### **504 LOAN ELIGIBILITY**

- ✓ Credit history must indicate a reasonable ability and willingness to meet financial obligations. There is no charge for a credit report.
- ✓ Liquid assets exceeding \$15,000 (\$20,000 for senior applicants) need to be considered and may affect loan or grant amount, for which applicants are eligible.
- ✓ Applicants must show a dependable source of income which is sufficient to repay the loan.
- ✓ Property must be owned and occupied by the applicant. Documentation of ownership must be provided.
- ✓ No appraisal required

#### **PROPERTY ELIGIBILITY**

- Located in rural area  
*For property eligibility, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>*
- Modest in size and design
- No in-ground swimming pool

#### **FEES**

- ✓ Tax service fee is required for initial loans greater than \$15,000;
- ✓ Recording fees, if a mortgage is required (loan of \$7,500 or more);
- ✓ Title Insurance when the total debt to the Agency is \$7,500 or more; and
- ✓ Hazard Insurance must be maintained if Agency debt is greater than \$15,000.

#### **ESCROW OF TAXES & INSURANCE**

If the applicant's total outstanding debt to the Agency is greater than \$15,000, an escrow account must be established. An escrow account already established with another lender is satisfactory.

***The 504 Loan and Grant Programs allow income eligible rural homeowners with very low incomes to repair or improve a home, making it safe and sanitary by removing health and safety hazards.***