



Rural Development
113 Hales Mills Road
Johnstown, New York 12095-3741
Phone (518) 762-0077 Fax (518) 762-7020 TDD (315) 477-6447

Section 504 Loans (provide up to \$20,000 at 1% interest rate to repair homes.)

Section 504 Grants (provide up to \$7,500 for persons 62 years of age or older who are unable to afford the loan).

A loan and grant may be made in combination if the applicant is able to repay only part of the total cost of the needed repairs. (Loan will be extended over a period of 20 years)

BASIC ELIGIBILITY REQUIREMENTS:

1. Must be a United States Citizen or a legal alien.
2. Must have legal capacity to incur a loan obligation.
3. Must have acceptable credit history
4. Must own and occupy the single family home in a rural area which needs to be repaired. (Maps are kept in the RECD office.)
5. Must be unable to obtain financial assistance elsewhere.
6. Must have an adjustable family income which does NOT exceed the Very-Low income limits for the county where the property is located.
7. For a loan - Must have sufficient income to repay the loan.
8. Must have a need to make repairs or improvements to the dwelling to make it safe, sanitary and adequate. (Such as repairing a roof, drilling a well, installing insulation or a new heating system.)

TERMS:

Section 504 loans will be scheduled for repayment in accordance with the applicants ability to pay. (not to exceed 20 years)

Loans of \$7,500 or more will be secured by a mortgage on the borrowers real estate. (A mortgage will also be taken for loans of less than \$7,500, if deemed necessary)

All persons receiving grants or partial grants must agree not to sell the property for a period of 3 years. If sold before the expiration of the 3 year period, the total amount of the grant must be repaid.

ITEMS NEEDED TO APPLY:

1. Application (form 410-4)
2. Verification of income: Income from wages.
3. Other Income: Such as Social Security, Pension, food stamps, HEAP, Public Assistance, Social Services, etc. Submit verification in the form of a letter or other written proof of the amount received.
4. Evidence of Ownership: A copy of the deed will meet this requirement.
5. Estimates for Repairs: At least two estimates from different contractors for the work to be done.
6. Financial Statement and/or Budget: form 1944-3
7. Authorization to Release Information: form 3550-1
8. Copy of last two month bank statement for checking and savings accounts.
9. Copy of Real Estate Taxes (Village, School, Town and County)
10. Copy of Real Estate Insurance
11. Verification of medical expenses not covered by insurance.
12. Copy of most recent Tax Return with w-2's or statement that you do not file.

Applications and further information can be obtained by contacting this office.

USDA Rural Development is an Equal Opportunity Lender, Provider and Employer
Complaints of discrimination should be sent to:

USDA Director, Office of Civil Rights, Washington, DC 20250-9410

