

Low Interest Loans Available in Rural Nebraska for Home Improvements

(KLZA) For those who own and occupy homes which need essential repairs or home improvements, USDA Rural Development can help with low-interest (1%) loans to assist very low income rural residents. Rural areas include communities with a population of 20,000 or less.

However, Norfolk and Columbus are also currently eligible until September 30, 2013.

Funds can be used to repair or replace furnaces, electrical, foundations, siding, roofing, windows, plumbing, wells, septic systems, and other health and safety hazards. Funds can also be used to improve and modernize a home or make a home accessible for disabled household members.

Eligibility for the program is based on the household's income and applicants must have acceptable credit, repayment ability and be unable to afford a conventional loan. The USDA repair loans are available up to \$20,000 at a 1% interest rate, with a repayment term up to 20 years. Loans of less than \$7,500 may not require a mortgage against the property. The low interest rate and extended terms of the loan make repayment more affordable for households with limited income. For example, a \$10,000 loan at 1% interest for 20 years would have a monthly payment of \$46, compared to a conventional loan with an interest rate of 5% for 10 years, with a monthly payment of \$106.

The applicant must own and occupy the home and not exceed income guidelines that are established by county and household size. For example, for many counties in Nebraska, the income limit for a one person household is \$19,950; two person, \$22,800; three person, \$25,650; four person, \$28,500 and five person, \$30,800. However, some counties may have higher income limits and you may contact your USDA Rural Development office for the income limits in your county.

Maxine Moul, Nebraska State Director for Rural Development said, "USDA Rural Development's mission is to improve the quality of life in rural communities. Our Agency has adequate loan funds available under the home repair program and I encourage families to utilize this program to improve their homes."

Households interested in the home repair program may contact their local USDA Rural Development office or visit the Agency website at www.rurdev.usda.gov/ne for additional program information.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investments in rural communities support the rural way of life that stands as the backbone of our American values. President Obama and Agriculture Secretary Vilsack are committed to a smarter use of Federal resources to foster sustainable economic prosperity and ensure the government is a strong partner for businesses, entrepreneurs and working families in rural communities.

USDA, through its Rural Development mission area, has a portfolio of programs designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.

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