

HOME IMPROVEMENT LOANS

(SECTION 504)

The Section 504 Rural Housing Loan program allows very-low income rural homeowners to improve or modernize their home; make their home decent, safe, and sanitary; and remove health and safety hazards.

The maximum loan amount is \$40,000.00. The interest rate is one percent (1.00%). The loan terms are based on repayment ability and cannot exceed 20 years. Loans exceeding \$7,499.00 will require a lien on your property.

ELIGIBILITY REQUIREMENTS:

1. Be within the very-low income limit based on family size and county (see income limits).
2. Be unable to obtain affordable credit elsewhere.
3. Must own and occupy the dwelling.
4. Must have an acceptable credit history.
5. Must be able to repay the loan.
6. Must lack personal resources (cash or other assets) to do the repairs.
7. Must be a U.S. citizen or Permanent Resident Alien.
8. Must possess the legal capacity to incur a loan.
9. The home must be considered modest and cannot be valued at more than \$285,000.

HOME IMPROVEMENT GRANTS

(SECTION 504)

The Section 504 Rural Housing grant program allows very-low income rural homeowners, in conjunction with our 504 loan program, to remove health and safety hazards to their home. The maximum lifetime grant is \$10,000.00.

ELIGIBILITY REQUIREMENTS:

1. Be within the very-low income limit based on family size and county (see income limits).
2. Homeowner must be 62 years of age or older.
3. Must own and occupy the dwelling.
4. Must be unable to repay a loan due to limited income or excessive medical/housing expenses.
5. Must lack personal resources (cash or other assets) to do the repairs.
6. Must be a U.S. citizen or Permanent Resident Alien.
7. The home must be considered modest and cannot be valued at more than \$285,000.

HOME IMPROVEMENT LOANS

(SECTION 502)

The Section 502 Rural Housing Loan program provides home improvement loans up to \$7,499.00 with a maximum 10 year repayment and no closing costs other than a credit report fee. Loan amount and loan term may be greater but will require a lien on your property and closing costs. The current interest rate is 2.5%.

ELIGIBILITY REQUIREMENTS:

1. Household income must be within the low income limit based on family size and county (see income limits).
2. Must be unable to obtain sufficient/affordable credit elsewhere.
3. Must have adequate repayment ability. PITI ratio cannot exceed 33% and Total Debt (TD) ratio cannot exceed 41%.
4. Must have an acceptable credit history.
5. Must own and occupy the dwelling.
6. Must have equity in the home.
7. Must be a United States citizen or a Permanent Resident Alien.
8. Must possess legal capacity to incur a loan.
9. The property cannot have an in-ground swimming pool OR be an income producing property.
10. The home cannot have a market value exceeding \$285,000

KALAMAZOO COUNTY INCOME LIMITS

	FAMILY OF 1-4	FAMILY OF 5-8
VERY LOW	\$39,500	\$52,150
LOW INCOME	\$63,200	\$83,400

CONTACT INFORMATION:

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