



# USDA Rural Development

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

U.S. Mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410  
Fax: (202) 690-7442  
Email: [program.intake@usda.gov](mailto:program.intake@usda.gov)

**We are committed to helping improve  
the economy and quality of life in rural  
America.**

**We achieve our mission by helping rural  
individuals, communities and businesses  
obtain the financial and technical  
assistance needed to address their  
diverse and unique needs.**

**Together, America Prospers.**

# Rural Development Agencies



# Rural Michigan Investment FY 2022

1.15 billion

29.3 million

SFH Direct Loans and Grants

# Over 40 Programs

Water and Sewer  
Community Programs  
Distance Learning  
Telemedicine  
Single Family Housing  
Business and Industry  
Farm Labor Housing  
Multi-Family Housing  
Biofuels / Energy

# Eligible Applicants

Very Low-Income Person(s)

Low Income Person(s)

Moderate Income Person(s)

Native American Indian  
Tribes

Township

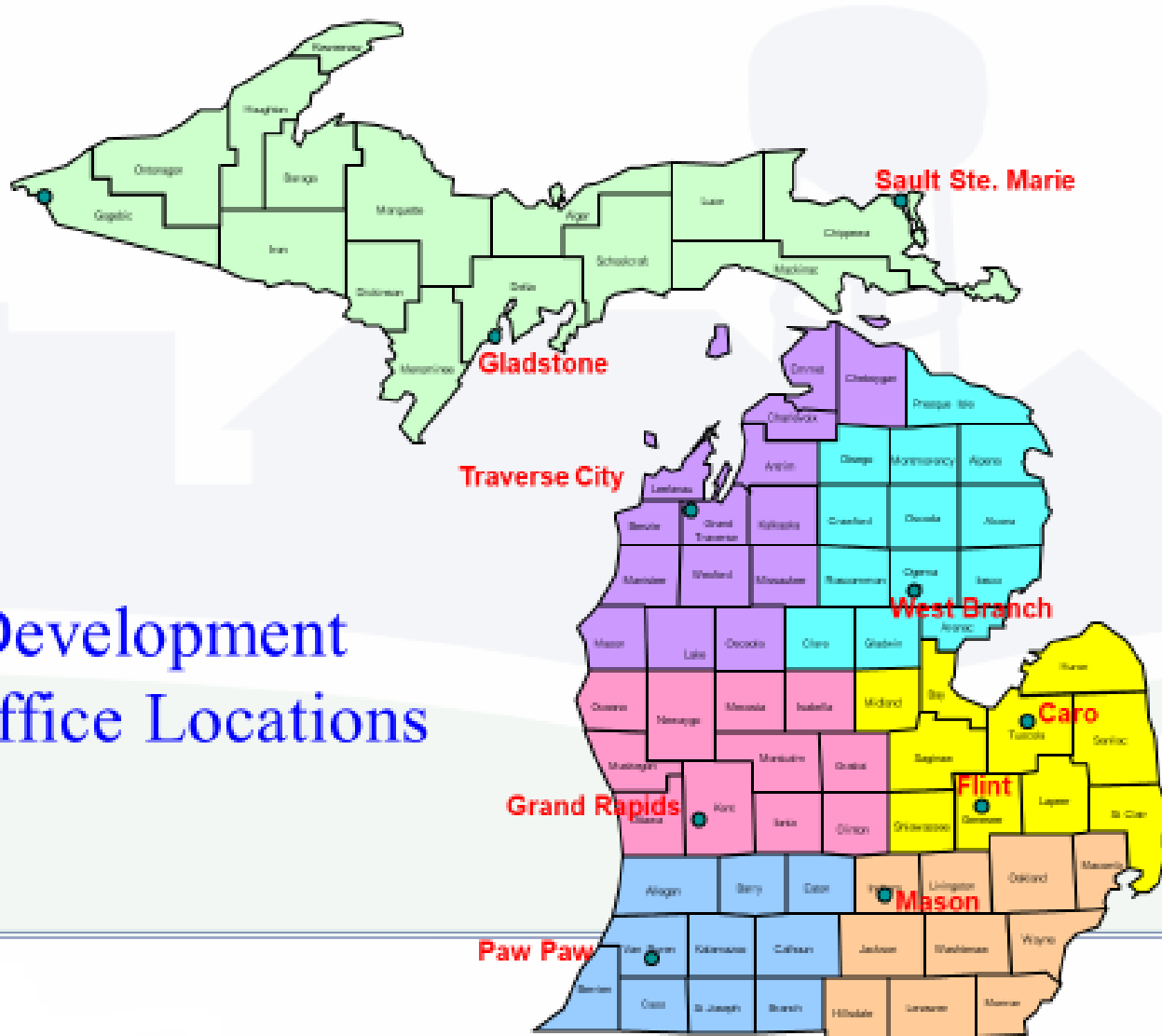
Village / City

County

For Profit Business

Non-Profit Entity

# Rural Development Area Office Locations

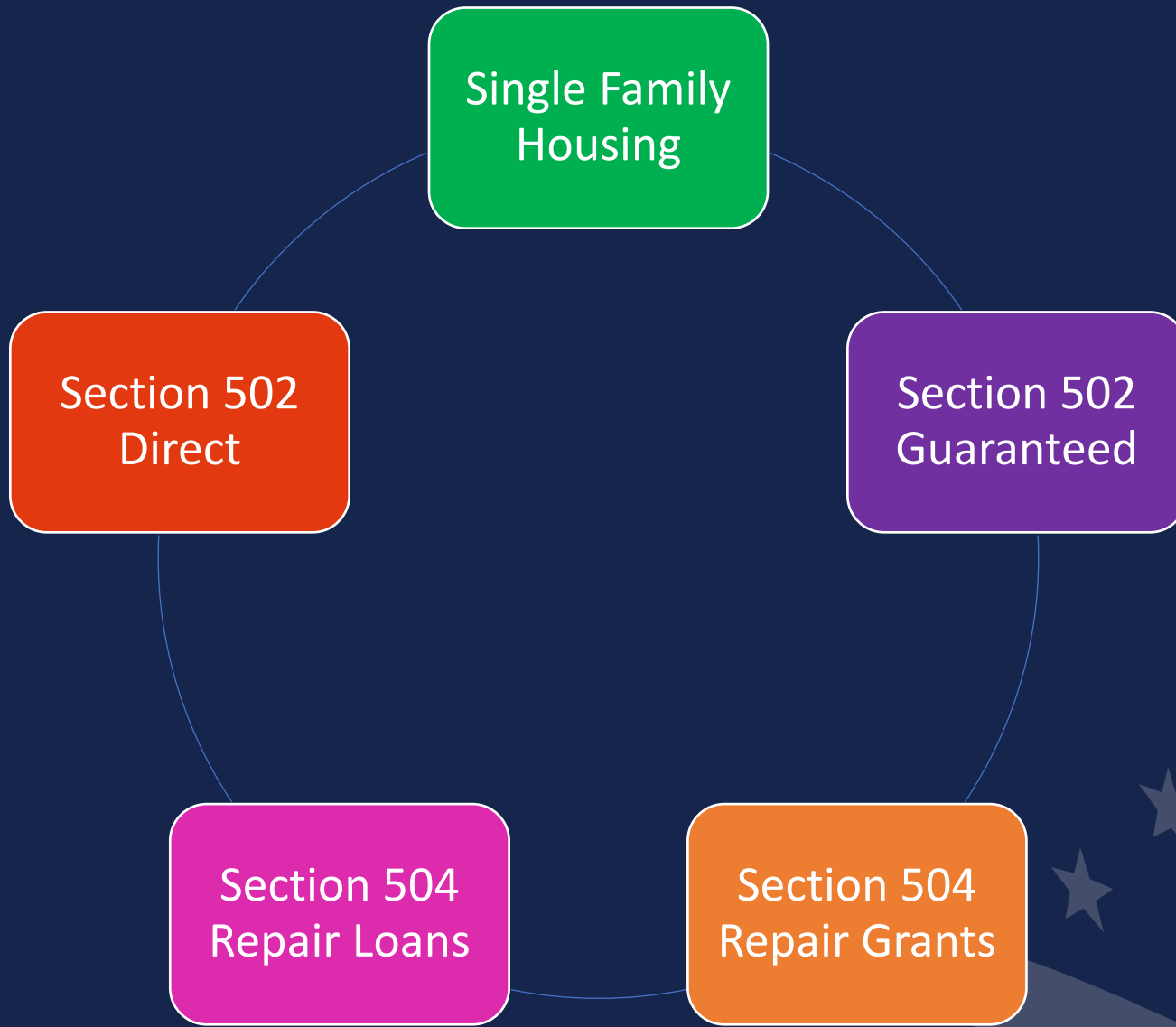






# Single Family Housing Eligible Areas

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>



# Partnership for Homeownership



# Partnership Process New Construction

Environmental review of potential construction  
site by RD

websites for basic enviro info

<https://www.epa.gov/cleanups/cleanups-my-community#map>

<https://www.mcgi.state.mi.us/environmentalmapper/>

# Partnership Process

- Potential buyer inquiry to RD or Habitat
- Provide program info to buyer for both programs
  - Prequalification completed by RD
  - Eligibility determination by Habitat
  - Application review for eligibility by RD
  - Certificate of eligibility issued by RD

# RD Application Support Documents

(\*needed from all adult persons occupying house, even if no ownership interest, if applicable to them)

1. \*Copy of drivers' license or state identification card
2. \*Copy of social security card
3. Copy of last two most recently filed Federal Income Tax Returns – all pages and schedules, W-2 and 1099 forms, as applicable – please sign all forms
4. Copy of last two filed home heating credit forms – please sign all forms
5. \*Copy of verification for cash value of life insurance policy
6. \*Copy of verification for bonds, CD's, IRA's or other Securities
7. \*Copy of last two bank statements for all checking and savings accounts – all pages
8. \*Copy of benefit decision notice for food assistance from DHHS
9. \*Copy of benefit decision notice from Social Security Administration (SSI, SSDI, Retirement)
10. \*Copy of benefit decision notice for Michigan Supplemental Security Income (\$42/quarter)
11. \*Copy of paystubs for the last four pay periods
12. \*Copy of pension benefit notice
13. \*Copy of last 12 months income for child support from Friend of the Court
14. List of monthly debts (vehicle, personal loans, lines of credit, credit cards, payment agreements for medical bills etc.) provide name of creditor, amount owed and minimum monthly payment

# Partnership Process

- Habitat construction package to RD for review
  - Purchase agreement submitted to RD
    - Appraisal by RD
    - Habitat house construction
  - Building department inspection reports and CofO submitted for RD review



# Partnership Process

- Updated financial info to RD to confirm continued eligibility
- RD secures loan funds for host family
- Host family submits house insurance quote
  - Loan closing



The main structure of the house, featuring dark brown vertical siding and a white gabled roof. It includes a white front door, a white garage door, and several windows. The house is set on a slight rise with a concrete driveway leading to the garage.

Small sign in the foreground on the right, likely a real estate or construction sign. The text is partially obscured but appears to include a logo and some text.







Habitat for Humanity  
WISCONSIN 83-3772

# Partnership Process Existing Dwelling Purchase

- Potential buyer inquiry to RD or Habitat
- Provide program info to buyer for both programs
  - Prequalification completed by RD
  - Eligibility determination by Habitat
  - Application review for eligibility by RD
  - Certificate of eligibility issued by RD

# Partnership Process

- Info about proposed house submitted to RD
  - Purchase agreement submitted to RD
- Inspections completed and submitted to RD
  - Appraisal by RD
- Habitat completes house repairs

# Existing Dwelling Inspections

Whole Home Inspection

Well / Septic Inspection

Pest Inspection

Surveyor Mortgage Loan Report

Lead Test and Clearance



# Partnership Process

- RD secures loan funds for host family
- Host family submits house insurance quote
  - Loan closing





# RD Section 502 Loan Program

## Homeownership Loans



# Program Information

Unable to Qualify for Other Financing

First Time Homebuyers – inadequate housing

Educate...Council...Assist

# Eligible Loan Purposes

Buy, build, and/or repair homes in rural areas

Loan funds directly from Rural Development

Existing homes, modular homes, site-built, or  
new manufactured homes

Inspection fees, purchase price, closing costs,  
and repairs

# Rates and Terms

No down-payment

PITI 29% and TD 41%

Payments subsidized and  
based on income

Effective interest rate be as  
low as 1%

30, 33 or 38 year term

# Household Income Limits

very low income

\$36,050 – \$58,900 (adjusted) for family of 1–4

\$47,600 – \$77,750 (adjusted) for family of 5–8

low income

\$57,200 – \$90,000 (adjusted) for family of 1–4

\$75,500 – \$118,800 (adjusted) for family of 5–8

gross income for all income sources in the household



# Applicant Eligibility

Reliable credit score of 640 or higher

Lower than 640 requires a detailed credit analysis

No credit score requires alternate methods of credit verification (non-traditional credit)

Delinquency on any type of federal debt must be resolved

# Homebuyer Education

RD Approved Educators



# Eligibility Certificate

Initial Certificate 45 Days

2 Thirty Day Extensions

maximum loan amount  
estimated taxes and insurance  
income  
applicable county

# Property Eligibility

Modest, Decent, Safe, Sanitary

2000 square feet or less

one building site

no income producing components

no shared driveway

no shared well/septic

no private roads

no agricultural buildings

# Closing Costs and Prepaids

combination

Out of pocket funds

Seller concessions

Gift funds

Loan funds

# Partnership for Home Repairs



# Partnership Process

RD Section 504 Loan and Grant Program

RD Section 502 Program

Habitat for Humanity Brush with Kindness Program

RD finances the cost – Habitat acts as contractor

# Program Basics

Acceptable credit

Must own the home

Licensed and insured contractors

Meet asset limits



# Eligible Repairs

Well and septic

Municipal water and sewer

Plumbing, Heating, Electrical

Roofing, windows, doors

Porches, steps, ramps

Floor covering, cabinets

# RD Repair Application Support Docs

(all persons with ownership interest in property must submit all items on list, if applicable to them)  
(\*needed from all persons occupying house, even if no ownership interest, if applicable to them)

\*Copy of drivers' license or state identification card

\*Copy of social security card

Copy of deed to property

Copy of death certificate for anyone on deed that is deceased

Copy of recorded mortgage or recorded land contract for property

Copy of monthly mortgage payment statement

Copy of homeowner's insurance declaration pages

Copy of most recent summer and winter real estate tax paid statements

Copy of last two most recently filed Federal Income Tax Returns – all pages & schedules, W-2 and 1099 forms, as applicable – sign all forms

Copy of last two filed home heating credit forms – please sign all forms

Copy of last two filed homestead property tax credit forms – please sign all forms

\*Copy of verification for cash value of life insurance policy

\*Copy of verification for bonds, CD's, IRA's or other Securities

\*Copy of last two bank statements for all checking and savings accounts – all pages

\*Copy of benefit decision notice for food assistance from DHHS

\*Copy of benefit decision notice from Social Security Administration (SSI, SSDI, Retirement)

\*Copy of benefit decision notice for Michigan Supplemental Security Income (\$42/quarter)

\*Copy of paystubs for the last four pay periods

\*Copy of pension benefit notice

\*Copy of last 12 months income for child support from Friend of the Court

Copy of bid from licensed and insured contractor for work to be completed. Bid to include cost of permit if required by building official.

Digital photographs of all four exterior sides of house and repairs to be completed.

# Section 504 Grants

Very low income

62 years of age or older

Unable to afford a loan

Lifetime maximum of \$10,000

Grant agreement for 3 years

Repairs for health, safety, code, accessibility

# Section 504 Loans

Very low income with no age requirement

1% fixed interest rate for up to 20 years

Maximum loan amount of \$40,000

Mortgage with loan of \$7,500 or more

Monthly Payments – \$4.60 per \$1,000

No penalty to pay ahead of schedule

# Section 502 Loans

Low income with no age requirement

3.25% fixed interest rate for up to 10 years

Maximum loan amount of \$7,499

No penalty to pay ahead of schedule





A two-story house with a porch and an American flag. The house has light-colored siding and a dark roof. There are trees in the background and bushes in the foreground. The entire image has a blue tint.

# Rural Development Michigan State Office

517-324-5190

<http://www.rd.usda.gov/mi>

[aileen.waldron@usda.gov](mailto:aileen.waldron@usda.gov)

616-222-5824