



**every
one**

deserves a decent
place to live.

Reframe - Federal Funding USDA 504 and FHLB Carol Peterson

USDA 504



USDA Rural Development 504 Home Repair Grant and Loan Program

The USDA RD 504 direct loan and grant program is intended to provide funds to homeowners who cannot obtain other credit to repair or rehabilitate their properties. Applicants must have adjusted income that is at or below the applicable very low-income limit.

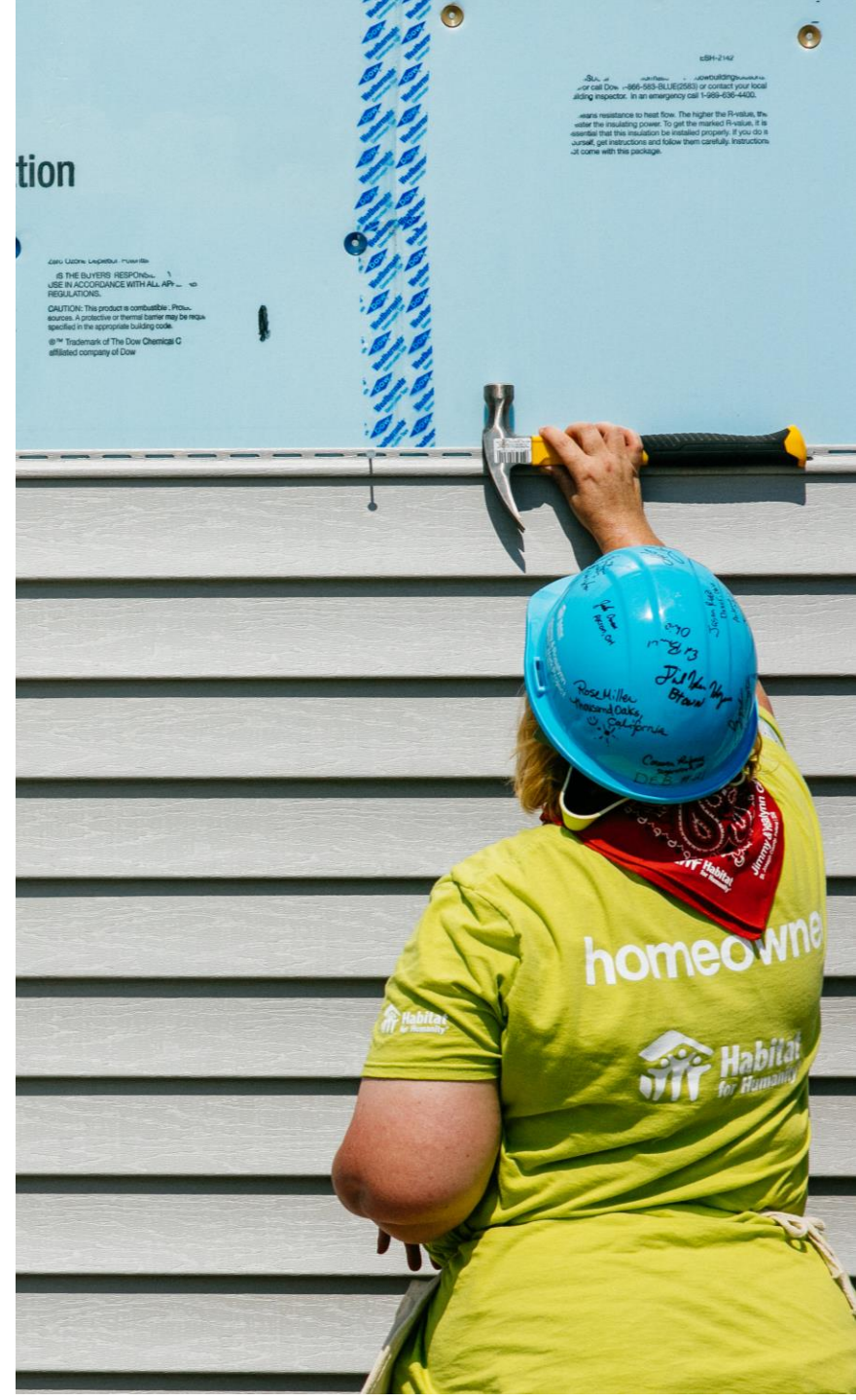
Key 504 Loan Features

- Grant, Loan, and Grant/Loan Combo
- Multiple ownership structures allowed- fee simple, life estate, secure leasehold etc..
 - Knox area office accepts proof of land ownership with MH title and photo of permanent foundation.
- Combined max total loan \$40,000
 - 1% interest over 20 years
 - Most of our loans are \$15-\$30/month
- \$750 packaging fee for loan (optional)



Key 504 Grant Features

- Lifetime max of \$10,000
 - Pre-pilot was \$7,500
- Grant is forgiven in 3 years
 - Ensures long-term residency plans of applicant
 - Grant must be repaid if home sells before the 3-year term expires



Eligibility Criteria

- Home must be in a USDA RD Eligible area
 - (Use USDA search)
- Applicant must currently be a homeowner
- Property must be applicant's sole residence
- Only for single family dwellings
- Property must be typical and modest
- Home must be on permanent foundation
- Must address all safety issues

- Applicant must be very low income (50% AMI) or below
- Loans require ability to repay
 - 46% total debt ratio
- Loans require reasonable credit history
 - Generally 620 median credit score minimum
- Applicant must be 62 years or older to be grant eligible
- Age, AMI %, and total debt ratio determine grant, loan, or combo

Grant, Loan, or Combo?

How do you know?

Follow these general steps:

1. Is the applicant or co-applicant 62 years or older?
 1. If yes, proceed to step 2
 2. If no, determine loan amount according to a TD ratio not to exceed 46%
2. Does the adjusted household income exceed 30% AMI?
 1. If yes, proceed to step 3
 2. If no, the applicant automatically qualifies for 504 grant
3. Determine applicant's Total Debt ratio
 1. If over 46%, applicant qualifies for 504 grant
 2. If 46% or below, applicant qualifies for combo, proceed to step 4
4. Determine combo amount using the following
 1. Min. loan amount is \$1000
 2. Combo will be equal parts grant/loan with TD ratio not exceeding 46%
 3. Max grant may not exceed \$10,000

Final Thoughts on USDA

- Key product to our program
- Can be relied upon to have funds available throughout the year in our area
- USDA pays vendors directly
 - Alleviates cashflow issues when performing high volume
- USDA RD staff are critical resources, make the effort to develop relationships with them



FHLB Carol M. Peterson Housing Fund



Carol M. Peterson Housing Fund

Through the Carol M. Peterson Housing Fund, the FHLB provides grants to homeowners to fund accessibility and emergency repairs for low-income special needs and elderly homeowners.

Key Features of CMP

- Funds are available to sponsor organizations (non-profits) through FHLB Partner Members
 - CBBC
- Applicants must be homeowners
 - Home and land must be Real Property
- Applicant must be at or below 60% Mortgage Revenue Bond limits (MRB)
- Max annual grant is \$7500
 - No lifetime max
- Applicants must be 60 years or older OR have a disability
- Funds may be used for any accessibility or emergency repairs
- Only available through FHLB Cincinnati
 - Ohio, Kentucky, and Tennessee



How it all works

- Sponsor must partner with Member
 - Member directory on FHLB Cinci's website
- Funding request submitted by sponsor to member, who submits to FHLB upon funds becoming available
- Funding is reserved within minutes of opening
- After submission, reservation letters generally take 30 days
- Projects must be completed by Dec. 1

Other items to consider about CMP

- No lifetime max, applicants can re-apply multiple times
- Repairs **MUST** be justified as emergency or accessibility related
- No change order process, make sure you reserve enough funds
- Program was severely cut-back last year, next year's allocation is currently unknown
- Procurement requirements are very loose

Thank you!



Contact Us

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