

Income Limits for Berrien County

Family Size/Income cannot exceed			
1	2	3	4
\$19,600	\$22,400	\$25,200	\$28,000

How and where do you apply?

Rural Development has 5 Area and 4 Sub-Area Offices located throughout Michigan. Each office handles loan processing for several counties. Contact the office which serves the county where you plan to purchase your home.

Paw Paw Sub-Area Office

(269) 657-7055, Ext. 4
1035 E. Michigan Avenue, Paw Paw, MI 49079

(Allegan, Barry, **Berrien**, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren Counties)

USDA, Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to: USDA, Office of Civil Rights, 1400 Independence Avenue SW, Washington DC 20250-9410.

(revision date 05/26/11) for Berrien County



UNITED STATES DEPARTMENT OF AGRICULTURE

HOME IMPROVEMENT

AND REPAIR

LOANS AND GRANTS

SECTION 504



STATE ADMINISTRATIVE OFFICE

3001 Coolidge Rd., Suite 200, East Lansing, MI 48823

COM:(517) 324-5210 FAX: (517) 324-5225

TDD: (800) 649-3777 Toll Free: 1-800-944-8119

Toll Free: 1-888-771-6993

Rural Development online: <http://www.rurdev.usda.gov/mi>

A rural homeowner whose house needs repairs may be eligible for a loan and/or grant from USDA Rural Development.

Home improvement loans can be made to people who may not need or cannot afford a new house, but need to make improvements on their present house to bring it up to minimum standards. USDA Rural Development also makes loans as well as grants to homeowners to remove health and safety hazards from their dwellings.

A homeowner may qualify for assistance if they meet very low income guidelines established for the county in which they live.

How Can Funds Be Used?

Repair loans and grants may be used to remove health and safety hazards by repairing roofs, providing a sanitary water and waste disposal system that meets local health department requirements, installing screens, windows or insulation, or taking other steps to make the home safe. They may also be used to repair or remodel dwellings to make them accessible and useable for household members with disabilities.

Home improvement loans may include similar purposes, but may go further by bringing the home up to minimum standards and making changes for the convenience of the residents, such as adding a room, remodeling the kitchen, or otherwise modernizing the house.

What are the Terms?

Very low-income families can receive up to \$20,000 in a loan, with repayment terms up to 20 years, depending on their available income to repay the loan. The interest rate is one percent.

Grants of up to \$7,500 (lifetime assistance) and loan/grant combinations are available to applicants who are 62 years old or older and unable to afford loan repayments.

Rural Development staff will help families determine the type of assistance that is best suited to their needs and their income.

Who Can Borrow?

If you own a home and live in an eligible rural area (generally towns with a population of 10,000 or less) you may qualify for a loan and/or grant if you cannot secure credit from commercial lenders. The homeowner must be 62 years or older to qualify for a grant or loan/grant combination. Some towns with populations between 10,000 and 20,000 may also qualify. Contact the local USDA Rural Development Office to see if assistance is available in your area (see back side of brochure for office locations).

Which Properties Qualify?

The applicant must own and occupy the property. The home must be considered modest for the area and cannot have an in-ground pool.

Loan and/or grant funds may be used to repair mobile or manufactured homes if the applicant owns and occupies the home prior to applying; the repairs are needed to remove health or safety hazards; and the home is on a permanent foundation; or will be put on a permanent foundation with the loan/grant funds.

What Security is Required?

A real estate mortgage is required for loans of more than \$7500. The agency does not require a first lien position, but the total of all debts secured by the property must not exceed the property's market value.

Homeowners who receive a grant or a combination loan/grant must repay the grant if the home is sold within three years.

What is considered a rural area?

Log onto the website for maps indicating eligible areas throughout Michigan:

www.rurdev.usda.gov/mi/mapsmain.htm or

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