

■ Rural Housing and Community Development Service (RHCDS)

Decent, safe, sanitary, affordable housing and community facilities are indispensable to vibrant rural communities. USDA's Rural Housing and Community Development Service has the responsibility to make these essential elements available to rural Americans. RHCDS programs help finance new or improved housing for over 65,000 moderate-, low- or very-low-income families each year. These programs

also help rural communities finance construction, enlargement, or improvement of fire stations, libraries, hospitals, clinics, industrial parks, and other essential community facilities.

Home Ownership Loans provide home ownership opportunities and assistance to low-income households to purchase, construct, repair, or relocate a home. Borrowers are offered 30- or 38-year loans at fixed interest rates as low as 1 percent, depending on the family's adjusted income. The program provides supervised credit to many borrowers, enabling them to maintain stable payment schedules in times of financial crises through "workout" agreements. Moderate-income rural residents can be assisted with loan guarantees offered through private lenders. The loans, both direct and guaranteed, can cover up to 100 percent of market value, or acquisition cost, whichever is less.

Home Improvement and Repair Loans and Grants enable very-low-income rural homeowners to remove health and safety hazards from their homes and to make homes accessible for people with disabilities. Loans have a maximum interest rate of 1 percent. Grants are available for people age 62 and older who cannot afford to repay a loan. Housing preservation grants to nonprofit groups and government agencies finance rehabilitation of rental units for low-income and moderate-income residents.

Rural Rental Housing Loans finance construction of rental housing for low- and moderate-income individuals and families and cooperative housing for elderly or disabled persons. Loans have a maximum term of 50 years, can equal up to 100 percent of the appraised value or development cost, and can be used to construct new housing or to purchase or rehabilitate existing structures.

Rental Assistance payments provide funds directly to the owners of RHCDS-financed rental housing under contracts specifying that low-income tenants will pay no more than 30 percent of their income for rent. Rental assistance allows low- and very-low-income families to afford decent rental housing.

Community Facilities Loans and Loan Guarantees help construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and towns with a population of 20,000 or less. Direct loan funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and nonprofit corporations. RHCDS also guarantees community facility loans made by banks or other eligible lenders.