Single Family Housing Repair Loans and Grants

What does this program do?

Also known as the Section 504 Home Repair program, it provides loans to very-low-income homeowners to repair, improve, or modernize their homes, or provides grants to elderly, very-low-income homeowners to remove health and safety hazards.

Who can apply?

To qualify, you must:

- **Be the homeowner and occupy the house**
- **Be unable to obtain affordable credit elsewhere**
- **Have a family income within the very-low-income limit**
- **For grants, be age 62 or older**

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What is an eligible area?

Properties must be located in an eligible rural area. You can visit the USDA Income and Property

Eligibility website (available at this link: https://go.usa.gov/xzcdM) for complete details.

How can funds be used?

- Loans can be used to repair, improve, or modernize homes, or to remove health and safety hazards.
- Grants must be used to remove health and safety hazards.

How much money can I get?

- Maximum loan is $40,000.
- Maximum grant is $10,000.
- Maximum grant if repairing a home damaged in a presidentially declared disaster area is $15,000.
- Loans and grants can be combined for up to $50,000 in assistance.

What are the terms of the loan or grant?

- Loans are repaid over 20 years.
- Loan interest rate is fixed at 1 percent.
- Full title service is required for loans greater than $25,000.
- Grants have a lifetime limit of $10,000, except in presidentially declared disaster areas in which they have a $15,000 lifetime limit.
- Grants must be repaid if the property is sold in less than three years.)

Is there a deadline to apply?

Applications are available year-round as long as funding is available, and are processed in the order they are received.

How long does an application take?

Approval times depend on funding availability in your area. Talk to a state or area office-based USDA home loan specialist (a map is available at this link: rd.usda.gov/browse-state) for help with your application.

How do I get started?

Contact a USDA home loan specialist (information is available at this link: rd.usda.gov/browse-state) in your area.

What governs this program?

• The Housing Act of 1949 as amended; 7 CFR, Part 3550 (available at this link: go.usa.gov/xzcvG)

• HB-1-3550 - Direct Single Family Housing Program Field Office Handbook (available at this link: go.usa.gov/xzcvM - PDF)

NOTE: Because information changes, always consult official program instructions or contact your local USDA Rural Development office for help. A list is available at this link: tinyurl.com/RDStateOffices. You will find additional RD program resources at rd.usda.gov. Information about other USDA programs and services is available at this link: ask.usda.gov/s/. USDA is an equal opportunity provider, employer, and lender.

May 2025