



United States Department of Agriculture
Rural Development

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**United States Department of Agriculture
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Bath, NY**

Section 504 Loan and Grant Program

Section 504 Program Objective:

Section 504 loans and grants are intended to assist very low income households in rural areas repair their homes.

Loan Purposes:

Loan funds may be used to make general repairs and improvements to properties or to remove health and safety hazards, as long the dwelling remains modest in size and design.

Grant Purposes:

Grant funds may be used *only* to pay the costs for repairs and improvements that will remove identified safety hazards or to repair or remodel dwellings to make them accessible for household members with disabilities.

Eligibility Requirements:

Section 504 Loan

1. Must have the legal capacity to incur the obligation.
2. Applicants must demonstrate adequate repayment ability, as demonstrated by a budget completed by a Rural Development representative.
3. Adjusted household income must not exceed the applicable very low-income limit for the area. Your local Rural Development Office can advise you of the income limits for your area.
4. An applicant must be a United States citizen or a non-citizen who qualifies as a legal alien.
5. Applicants must agree to and have the ability to occupy the dwelling on a permanent basis.
6. Applicant must be unable to secure the necessary credit from other sources on terms and conditions that the applicant could reasonably be expected to fulfill. Applicant must also lack the personal resources to meet their needs.
6. Must have a credit history that indicates a reasonable ability and willingness to meet debt obligations.

Section 504 Grant

1. Must meet eligibility requirements for Section 504 Loan, except #2 above.
2. Applicant must be 62 years of age or older at the time of application.
3. Must be unable to repay a Section 504 Loan (amortized over the maximum number of years).

Dwelling Requirements

1. Dwelling must be considered modest for the area, must not be designed for income providing purposes cannot include an in-ground swimming pool or have a value that exceeds the maximum loan limit for the area.
2. Loans may be made only in rural areas designated by RHS. Your local Rural Development Office can advise you of the eligible areas in your county.

Other Information:

1. For grants – full amount of grant must be repaid if the property is sold in less than 3 years from the date the grant was approved.
2. The lifetime total of the grant assistance to any recipient is \$7,500.
3. The sum of all outstanding Section 504 loans to one borrower or on one dwelling may not exceed \$20,000.
4. When the total Section 504 indebtedness (loans only) is \$7,500 or more, the property will be secured by a mortgage on the property.
5. Term of the loan is determined by repayment ability, which is evidenced by a budget completed with the assistance of a Rural Development representative. Fixed 1% interest rate.

Local Rural Development Office Serving Chemung, Schuyler, Steuben, Allegany, Cattaraugus and Chautauqua Counties.

Contact Information:

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