

Rural Housing Site Loans

What does this program do?

Rural Housing Site Loans offer two types of loans to help income-eligible applicants buy and develop housing sites:

- **Section 523 loans are used to acquire and develop sites only for housing to be built using the Self-Help method. You can learn more about the USDA Rural Development Mutual Self-Help Housing Program at this link: [tinyurl.SFHSelfHelp](https://tinyurl.com/SFHSelfHelp).**
- **Low- and moderate-income families can use Section 524 Rural Housing Site Loans to acquire and develop rural housing sites with no restrictions regarding the method of construction.**

Who can apply?

- Section 523 loans are available to private or public nonprofit organizations that will provide sites solely for Mutual Self-Help housing.
- Section 524 loans are for private or public nonprofit organizations. Building sites can be sold to eligible low- and moderate-income families.
- Nonprofits with the legal authority to operate a revolving loan fund
- Nonprofits with the financial, technical, and managerial capacity to comply with relevant federal and state laws
- Federally recognized Tribes as noted by the U.S. Department of the Interior Bureau of Indian Affairs (BIA – information at this link: tinyurl.com/BIATribal).

What is an eligible area?

Properties must be located in eligible rural areas. Check the USDA Income and Property Eligibility tool at this link: tinyurl.com/RDEligibility.

What are some of the loan terms?

- Both are 5-year loans
- Section 523 loans: 3 percent interest

- Section 524 loans: Below market rate (established monthly); fixed at closing

How do we get started?

Applications are accepted year-round, and you can apply through your local USDA RD office. A list is available at this link: tinyurl.com/RDStateOffices.

Who can answer questions?

A rural housing site loan specialist in your local USDA RD office can help. See “How do we get started?” for a link to a list of our state-based offices.

What governs this program?

- **Standards:** Site development standards and policies are in USDA RD Instruction 1924-A (available at this link: tinyurl.com/RD1924A – PDF), and 1924-C (available at this link: tinyurl.com/RD1924C – PDF).
- **Basic Instruction:** Information can be found in RD Instruction 444.8 (available at this link: tinyurl.com/RD444dot8 – PDF) and RD Instruction 1924-C, listed above.

NOTE: Before you begin your application, please contact a rural housing site loan specialist from your local USDA RD office to confirm you are using the most current information.

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 resources, forms, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

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