

Multifamily Housing Direct Loans

What does this program do?

USDA Rural Development provides loans to eligible borrowers unable to get financing through traditional lenders. Multifamily Direct Loans feature terms and conditions that support the development or preservation of affordable rural rental housing for low-income, elderly, or disabled people. Loan funds can be used for all construction hard costs and land-related costs, including land acquisition and development.

Program Features

Loan Amount

Limits are published in a Notice of Funding Availability (NOFA) in the *Federal Register*.

Interest Rate

The interest rate is 1 percent per annum.

Loan Terms

Up to 30 years, with amortization up to 50 years

Eligible Borrowers

- Nonprofit and for-profit associations and corporations
- Individuals, partnerships, and trusts
- Consumer cooperatives and partnerships
- Public or private nonprofit organizations
- Federally-recognized Tribes

Tenant Requirements

- Very-low to moderate-income families or individuals
- Very-low income is defined as at or below 50 percent of the area median income.

- Low income is defined as at or below 80 percent of the area median income.
- Moderate income is defined as at or below 80 percent of area median income, plus \$5,500.

What governs this program?

- Code of Federal Regulation, 7 CFR 3560, available at this link: <https://go.usa.gov/xMfxh>
- Origination Handbook, HB-1-3560, available at this link: <https://go.usa.gov/xMfa3>
- Asset Management Handbook, HB-2-3560, available at this link: <https://go.usa.gov/xMfaa>
- Title V of the Housing Act of 1949, available at this link: <https://go.usa.gov/xMwFR>

For More Information

Please contact Multifamily Housing toll-free at 800-292-8293 or visit <https://www.rd.usda.gov/multifamily> and scroll to the bottom of the page to find your processing and review branch, based on the state in which your project is located.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Governs This Program?" You may also contact our Multifamily Housing staff for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.