



Guaranteed and Direct Home Loan Programs

June 6, 2017

USDA Rural Development Expands Loan Eligibility to Existing Manufactured Homes

People interested in purchasing an existing manufactured home in rural Iowa now have more opportunities for financing through USDA Rural Development's low-interest, no-down-payment home loan programs.

The state is participating in a pilot program that makes existing manufactured homes constructed after January 1, 2006, eligible for USDA home loans. Previously, only new manufactured homes purchased from an approved dealer/contactor qualified for these loans.

Here are some requirements when using a USDA home loan for an existing manufactured home:

- Have a floor area of at least 400 square feet
- Be inspected utilizing U.S. Department of Housing and Urban Development (HUD) Form 309 - Manufactured Home Installation Certification and Verification Report
- Have no alterations or modifications since it was manufactured
- Towing hitch and running gear must be removed
- Unit must be taxed as real estate
- Remaining economic life must meet or exceed 30 years

Both USDA Rural Development's Guaranteed Home Loan Program and Direct Home Loan Program can be used to finance manufactured homes. Guaranteed loan applications for existing manufactured homes must be manually underwritten.

A typical income limit for a one- to four-person household using the Guaranteed Home Loan Program in rural Iowa recently increased to \$78,200. Income limits vary greatly depending on the county/community where a home is located, as well as the number of people in the household. Also, household incomes may be adjusted with qualifying expenses such as payments for childcare.

Here is a list of the new household income limits for all counties in Iowa.

https://www.rd.usda.gov/files/IA_hp_rhsquar_Income_Limits_052217.pdf

Call (515) 284-4667, email rd-grhia@ia.usda.gov or visit www.rd.usda.gov/ia for more information.

A typical income limit for a one-person household using the Direct Home Loan Program to purchase a home in an eligible rural Iowa community or area is now \$41,250. For a family of four a common limit is \$56,600.

Like the Guaranteed Home Loan Program, income limits vary greatly depending on household size and the county/community where a home is located. Household incomes may also be adjusted with qualifying childcare expenses.

The complete list of new income limits for a USDA Direct Home Loan in rural Iowa can be found at <https://www.rd.usda.gov/files/RD-DirectLimitMap.pdf> by clicking on the state of Iowa.

Please contact USDA Rural Development staff at (515) 284-4444 or directIA@ia.usda.gov with eligibility questions or visit www.rd.usda.gov/ia for more information.

Contact USDA Rural Development

Contact USDA Rural Development guaranteed or direct home loan program housing staff today at (515) 284-4667 (guaranteed program), (515) 284-4444 (direct program), rd-grhia@ia.usda.gov, directIA@ia.usda.gov or visit www.rd.usda.gov/ia.

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