Single Family Housing Direct Home Loans

What does this program do?

This program offers mortgage financing to help eligible, low- and very-low-income applicants buy, build, improve, or repair a rural home as their primary residence. The Single Family Housing Direct Loan Program also provides payment assistance – a temporary subsidy – to help increase a borrower's repayment ability.

Who can apply?

Your adjusted income must be at- or below the low-income limit for the area in which you wish to buy a house, and the property must be located in an eligible rural area. Our Income and Property Eligibility website is available at this link: tinyurl.com/RDEligibility**.**

SFH Direct Home Loan Program webpage

What are some requirements?

Among other requirements, you must:

- Be without decent, safe housing
- Be unable to get a loan with reasonable terms and conditions from other resources
- Agree to live in the home as your primary residence
- Meet U.S. citizenship or noncitizen requirements

Additionally, properties must:

- Be considered modest for the area
- Not have a market value higher than the area loan limit

How can funds be used?

Funds can be used to buy, build, repair, renovate, or relocate a home, or to purchase and prepare home sites.

What are some other program terms?

- Down payments typically are not required.
- The maximum loan amount depends on factors such as income, assets, debts, and the amount of payment assistance for which you are eligible.
- Interest rates are fixed and based on current market rates at loan approval or closing, whichever is lower.
- The typical loan payback period is 33 years (38 years for very-low-income applicants unable to afford a 33-year loan term).
- With payment assistance, a monthly mortgage payment can be reduced to as low as a 1-percent interest rate.
- You must repay all or part of any payment assistance you receive over the life of the loan when the property title transfers or you no longer live in the dwelling. You can learn more about subsidy recapture at this link: tinyurl.com/RHS-subsidy.

How do we get started?

Applications are accepted year-round through your local USDA Rural Development office. A list of state offices is available at this link: tinyurl.com/RDStateOffices.

What governs this program?

- The Housing Act of 1949, amended; 7 CFR Part 3550 (tinyurl.com/CFR73550)
- The Single Family Housing Direct Program Field Office Handbook (tinyurl.com/RHS-guides)

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: rd.usda.gov/browse-state**. You will find additional RD program resources at** rd.usda.gov**. USDA is an equal opportunity provider, employer, and lender.**

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