

# American Rescue Plan Act of 2021

## What does this program do?

The American Rescue Plan Act (ARPA) of 2021 provides additional funds for USDA Rural Development's Single Family Housing Direct Loan program. ARPA funding is available through September 30, 2023.

The ARPA's primary focus is to help existing Single Family Housing Direct borrowers who have been approved for COVID-19-related payment moratoriums (a period during which their monthly loan repayments were stopped) refinance their mortgages. The Deferred Mortgage Payments (DMP) program is available to Section 502 very low-income self-help borrowers whose loan closed in Fiscal Year (FY) 2020 or later.

The goal is to help ensure USDA borrowers' payments stay affordable once the moratorium period ends.

## Who is eligible?

Rural Development will accept applications from existing Single Family Housing Direct loan borrowers – including customers with home repair loans – to refinance loans which have been in an approved COVID-19 moratorium.

For Single Family Housing Direct loan borrowers, the adjusted household income must be at or below moderate income limits for the area. For Home Repair loan borrowers, the adjusted household income must be at or below the very-low income limit for the area.

For Self-Help borrowers with permanent loans that closed in FY 2020 or later, regardless of moratorium status, the adjusted household income must be at or below the low income limit for the area to be eligible to apply for a refinance. Additionally, Self-Help borrowers with loans that closed FY 2020 or later, regardless of moratorium status, the adjusted household income limit must be at or below the very-low income limit for the area to be eligible for the Deferred Mortgage Payment program available through ARPA refinance funding.

Income limits can be viewed here: <https://www.rd.usda.gov/sites/default/files/RD-DirectLimitMap.pdf>

With the exception of delinquent federal debt, Single Family Housing Direct loan borrowers applying for refinancing will not be subject to credit analysis, standard repayment ratio requirements, asset limits, or customary program standards related to the condition of the property.

## What terms are available?

- For Single Family Housing Direct borrowers, a 10-, 25-, 30-, or 33-year term may be used. In limited circumstances, a 38-year term may be offered.
- For Home Repair borrowers, a 20-year term is available.

## What are the possible benefits to refinancing?

For Single Family Direct Loan borrowers, a lower interest rate and term extension can help reduce the loan payment, making it more affordable.

For Self-Help borrower the Deferred Mortgage Payment program allows for up to 25% of a borrower's monthly principal and interest payment at 1 percent to be deferred for up to 15 years.

## Is there any cost to the borrower?

Closing costs (fees associated with the real estate transaction) can be included in the loan. A new escrow account will be established in the origination of the ARPA refinance. If your existing loan does not have an escrow account, you will be responsible for the cost of getting a hazard insurance policy, which can be included in the loan.

## What can be included in the refinance?

- Debt to USDA Rural Development. Under certain conditions, this includes Single Family Housing subsidy recapture. Additional information about subsidy recapture is available here:  
[https://www.rd.usda.gov/sites/default/files/factsheet/508\\_RD\\_FS\\_RHS\\_SubsidyRecaptureDirectLoans.pdf](https://www.rd.usda.gov/sites/default/files/factsheet/508_RD_FS_RHS_SubsidyRecaptureDirectLoans.pdf)
- In limited circumstances, liens not associated with debt to the Single Family Housing Direct loan program
- In limited circumstances, repairs to correct major health and safety concerns in the home
- Closing costs
- A Rural Development-authorized loan packaging fee

## What do I need to do next?

- Existing Single Family Housing Direct loan borrowers should visit <https://pubmai.sc.egov.usda.gov> to download an application package. You also can contact your local office to request an application or get more information. State office locations can be found at: <https://rd.usda.gov/about-rd/state-offices>.
- If you have questions about your existing loan – including its re-amortization or subsidy recapture– contact the Customer Service Center (CSC) at 1-800-414-1226.

## Where can I find more information?

- Borrowers can visit the USDA Rural Development Single Family Housing American Rescue Plan Act (ARPA) webpage (available at this link: <https://go.usa.gov/xteKW>) to learn how ARPA might be able to help.
- To view the internal Rural Development implementation guidance associated with this program, visit: <https://www.rd.usda.gov/resources/directives/handbooks> and select “HB-1-3550, Direct Single Family Housing Loans and Grants – Field Office Handbook”, and select ‘Appendix 12’.
- You can find additional forms, resources, and program information at <https://www.rd.usda.gov/programs-services/all-programs/single-family-housing-programs>.
- Your local Rural Housing Program staff is always a great resource. Our state-based office locations can be found here: <https://rd.usda.gov/about-rd/state-offices>

---

**NOTE: Because information is subject to change, always consult official program instructions or contact your local Rural Development office for help. You will find additional resources, forms, and program information at <https://rd.usda.gov>. USDA is an equal opportunity provider, employer, and lender.**