

STAKEHOLDER ANNOUNCEMENT

USDA Launches Program to Increase Economic Safety Net for Rural Home Loan Borrowers Facing Financial Hardship

Program Expands Servicing Options to Combat Unprecedented Higher Interest Rates and Ensure Borrowers Remain in Their Homes

WASHINGTON, July 24, 2024 – U.S. Department of Agriculture (USDA) Rural Development Under Secretary Dr. Basil Gooden today announced that USDA is launching a program to increase economic safety net options for rural home loan borrowers facing financial hardship.

Through the new **Payment Supplement Account**, USDA is expanding servicing options to combat unprecedented higher interest rates, minimize the risk of foreclosure and help borrowers remain in their homes.

For instance, lenders may use funding from this program to help borrowers who are behind on their mortgages by providing monthly relief payments until their loans are current. Lenders may also use the funding to help borrowers through their financial hardship by making supplemental monthly payments toward their loan's principal balance for up to three years.

Eligible borrowers must have received a loan from an approved lender through USDA's [Single Family Housing Guaranteed Loan Program](#). Borrowers must also have experienced a documented hardship that led to an inability to pay their mortgage; require payment reduction to resume making a monthly payment; and currently have a below-market interest rate.

These new servicing options are available for the next two years. For more information, see page 59823 of the July 24 [Federal Register](#).

Through the Single Family Housing Guaranteed Loan Program, USDA and approved lenders provide access to affordable mortgage financing for low- and moderate-income families in rural areas. Eligible applicants may purchase, build, rehabilitate, improve, or relocate a home in an eligible rural area using 100% financing. USDA has partnered with private lenders to help families and individuals buy and build safe, decent, and sanitary homes in rural areas since 1991.

For more information visit [Single Family Housing Guaranteed Loan Program | Rural Development \(usda.gov\)](#). To subscribe to USDA Rural Development updates, visit [GovDelivery subscriber page](#).

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