



United States Department of Agriculture

Section 502 Direct Loans

For more information, contact the local office near you, or visit our website at: <http://www.rd.usda.gov/wa>

USDA Rural Development provides owner occupied, Single Family Housing loans to eligible low income applicants who are unable to obtain credit elsewhere. Applicants may obtain 100% Direct financing to:



- Purchase and/or repair **new or existing housing (including new manufactured housing)**
- Purchase a building site and **construct a dwelling**
- Build a home with the **Self Help** method. Under this program, applicants provide sweat equity labor to build their own homes through a Self Help group
- Purchase a **government owned home** or **assume** an existing 502 Direct loan.

The site must not have income-producing land that will be used principally for income producing purposes. The following website can be used to help you determine both applicant and property eligibility: <http://eligibility.sc.egov.usda.gov/eligibility/>.

Based on income level, applicants may qualify for monthly payment assistance (subsidy), which is subject to recapture when the loan is paid off. Eligibility requirements include but are not limited to:

- **Adjusted household income** which is at or below 80% of median income (see chart on page 2). Adjusted income is calculated by subtracting eligible deductions from the gross income of all adult household members.
- **A satisfactory credit history.** A credit score of 640 or above typically indicates satisfactory credit. However, applicants with lower scores, or who have had credit difficulties, may be eligible under certain circumstances.
- **A stable source of income**, which provides adequate **ability to repay** the loan payments. The proposed monthly house payment, taxes, insurance and other credit debts cannot exceed 41% gross monthly income.
- Be a **U.S. Citizen or legally admitted U.S. resident** who is **18 years of age** or older and is **able to enter into a binding contract**.
- Meet **other eligibility** requirements

Sample Adjusted Income Calculation for a Family of 6 with 4 children:

Gross Annual Income:	\$65,000
Minus	
\$480 deduction per child:	\$ 1,920
Minus	
\$600 per month daycare:	\$ 7,200
Adjusted Income	\$55,880

Conduct your own preliminary eligibility results:

The Single-Family Housing Self-Assessment is an online interface that yields instant preliminary eligibility results that can be viewed on screen and sent to your email. The link to the tool is listed below:

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=assessmentType>

RD encourages consumers know their credit history before applying. Applicants can obtain a free credit report by calling 1-877-322-8228 or logging into: <http://www.annualcreditreport.com>. The link to the credit regulations is listed here in case you need to reference them: <https://www.rd.usda.gov/files/3550-1chapter04.pdf>.

SECTION 502 Direct Program
INCOME and AREA LOAN LIMITS

Office	County	1-4 person household	5-8 person household	Maximum Property Value / Loan Amount	
Mount Vernon 2005 E. College Way Suite 203 Mt Vernon, WA 98273 PH (360) 428-7684 Ext 4.	Island	\$81,600	\$107,750	\$460,000	
	King	\$123,350	\$162,850	\$782,000	
	San Juan	\$81,200	\$107,200	\$410,500	
	Skagit	\$80,150	\$105,800	\$436,000	
	Snohomish	\$123,350	\$162,850	\$782,000	
	Whatcom	\$84,450	\$111,500	\$483,000	
Olympia 1835 Black Lake Blvd, Ste C Olympia, WA 98512 (360) 704-7760	Clallam	\$73,450	\$97,000	\$398,600	
	Jefferson	\$72,000	\$95,050	\$414,000	
	Clark	\$94,400	\$124,650	\$543,700	
	Cowlitz	\$72,000	\$95,050	\$398,600	
	Pacific	\$72,000	\$95,050		
	Wahkiakum	\$72,000	\$95,050		
	Grays Harbor	\$72,000	\$95,050		
	Lewis	\$72,000	\$95,050		
	Mason	\$73,450	\$97,000	\$450,800	
	Kitsap	\$95,750	\$126,400		
	Pierce	\$92,650	\$122,300		
	Thurston	\$90,150	\$119,000		
Chelan	\$74,150	\$97,900	\$404,800		
Wenatchee 301 Yakima St, Ste 317 Wenatchee, WA 98801 (509) 662-1141 Ext. 4	Douglas	\$74,150	\$97,900	\$404,800	
	Grant	\$72,000	\$95,050		
	Ferry	\$72,000	\$95,050	\$398,600	
	Lincoln				
	Okanogan	\$72,000	\$95,050		
	Pend O'Reille	\$72,000	\$95,050		
	Stevens				
	Spokane	\$78,300	\$103,400		
Yakima 1606 Perry St Ste D Yakima, WA 98902 (509) 454-5743 Ext. 4	Adams	\$72,000	\$95,050	\$398,600	
	Asotin	\$67,750	\$89,450		
	Benton	\$79,900	\$105,500		
	Columbia	\$73,450	\$97,000		
	Franklin	\$79,900	\$105,500		
	Garfield	\$72,000	\$95,050		
	Kittitas	\$79,200	\$104,550		
	Klickitat	\$72,000	\$95,050		
	Skamania	\$94,400	\$124,650		\$543,700
	Walla Walla	\$72,150	\$95,250		\$398,600
	Whitman	\$74,300	\$98,100	\$423,200	
Yakima	\$72,000	\$95,050	\$398,600		

