



Section 504 Repair Program

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

SINGLE FAMILY HOUSING SECTION 504 HOME REPAIR LOAN AND/OR GRANT PROGRAM

Program Objective: Assist **very** low-income owner occupants of modest single-family homes in rural areas.

Dwelling Requirements:

- ◆ The property must be a single-family dwelling located in an eligible rural area. <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ The property must be considered modest, not contain an in-ground swimming pool or have a property value more than the USDA single family housing loan limit for the area.
- ◆ Manufactured homes must be on a permanent foundation and applicant must own the land where it is placed. A permanent foundation is either: (1) a full below-grade foundation; or (2) blocks, piers, or some other type of foundation with skirting, and anchoring with tie-downs.

Grant Purposes:

Grant funds may be used *only* for repairs and improvements that will remove health and safety hazards or to make dwellings accessible for household members with disabilities.

Loan Purposes:

Loan funds may be used to remove health and safety hazards and make general repairs and improvements to properties, as long the dwelling remains modest for the area.

Terms & General Eligibility Requirements

504 GRANTS

- ◆ At least one applicant must be 62 years of age or older at the time of application.
- ◆ Up to \$10,000 maximum lifetime grant assistance.
- ◆ Applicant must have acceptable ownership (to include life estate) and occupy the property.
- ◆ The adjusted household income cannot exceed the “very low” income limit for the area: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd> **AND** Applicant must not be able to repay a repair loan.
- ◆ If applicant can repay part, but not all the costs, then a loan and grant combination may be offered.
- ◆ Grants must be repaid if the home is sold within three years.

504 LOANS

- ◆ Fixed interest rate of 1% and term of 20 years.
- ◆ Up to \$40,000 maximum loan assistance.
- ◆ Applicant must demonstrate loan repayment ability – total debt ratios not to exceed 41% of qualifying repayment income.
- ◆ The adjusted household income may not exceed the very low income limit for area: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>
- ◆ Lack asset resources to meet repair needs
- ◆ Acceptable credit history, usually a score of 620 or above, and reasonable ability and willingness to meet debt obligations.
- ◆ Loans of \$7,500 or more will be secured by a mortgage; below \$7500 are note only.
- ◆ Applicant must own (to include life estate) and occupy the property.

Restrictions on the Use of 504 Funds

Section 504 loan or grant funds **cannot** be used to:

- ◆ Assist in the construction of a new dwelling;
- ◆ Make repairs to a dwelling in such poor condition that when the repairs are completed, the dwelling will continue to have major hazards;
- ◆ Move a mobile home or manufactured home from one site to another;
- ◆ Pay for any off-site improvements except for necessary installation and assessment costs for utilities;
- ◆ Refinance any debt or obligation that the applicant incurred before the date of application (except for payment of the installation and assessment costs of utilities);
- ◆ Pay packaging fees to for-profit entities;

SECTION 504 Repair Program INCOME and PROPERTY VALUE LIMITS

<i>Office</i>	<i>County</i>	<i>1-4 person household</i>	<i>5-8 person household</i>	<i>Maximum Property Value</i>
Mount Vernon 2005 E. College Way, #203 Mt Vernon, 98273 (360) 428-7684 Ext. 4	Island	\$51,000	\$67,350	\$460,000
	King, Snohomish	\$75,350	\$99,450	\$782,000
	San Juan	\$50,750	\$67,000	\$410,500
	Skagit	\$50,100	\$66,150	\$436,000
	Whatcom	\$52,800	\$69,700	\$483,000
Olympia 1835 Black Lake Blvd SW, Ste C Olympia, 98512 (360) 704-7760	Clallam	\$45,900	\$60,600	\$398,600
	Jefferson	\$45,000	\$59,400	\$414,000
	Clark	\$59,000	\$77,900	\$543,700
	Cowlitz, Grays Harbor, Lewis, Pacific, Wahkiakum	\$45,000	\$59,400	\$398,600
	Mason	\$45,900	\$60,600	
	Kitsap	\$59,850	\$79,050	\$450,800
	Pierce	\$57,900	\$76,450	\$782,000
	Thurston	\$56,350	\$74,400	\$437,000
Wenatchee 301 Yakima St, Suite 317 Wenatchee, 98801 (509) 662-1141 Ext. 4	Chelan, Douglas	\$46,350	\$61,200	\$404,800
	Grant	\$45,000	\$59,400	
	Ferry, Lincoln, Pend O'Reille, Stevens	\$45,000	\$59,400	\$398,600
	Spokane	\$48,950	\$64,600	
	Okanogan	\$45,000	\$59,400	
Yakima 1606 Perry St, Suite D Yakima, 98902 (509) 454-5743 Ext. 4	Adams, Garfield, Klickitat	\$45,000	\$59,400	
	Asotin	\$42,350	\$55,950	
	Benton, Franklin	\$49,950	\$65,950	\$398,600
	Columbia	\$45,900	\$60,600	
	Kittitas	\$49,500	\$65,300	
	Skamania	\$59,000	\$77,900	\$543,700
	Walla Walla	\$45,100	\$59,500	\$398,600
	Whitman	\$46,450	\$61,350	\$423,200
Yakima	\$45,000	\$59,400	\$398,600	