

I would like to thank you for this opportunity to speak on behalf of the United States Department of Agriculture, Rural Development agency. We offer many different programs that could help to reduce blight and revitalize rural communities. I would like to highlight three of the programs that we offer.

The first program I would like to talk about is our 502 program that is an opportunity for low- and very-low income applicants to obtain decent, safe, and sanitary housing in eligible rural areas. Applicants must not currently own a house, be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to meet, agree to occupy the dwelling as their primary residence, have legal capacity to incur a loan obligation, and meet citizenship requirements. Properties financed must be modest in size for the area, not have a market value in excess of the applicable area loan limit, not have in-ground swimming pools, and not be designed for income producing activities. Loan funds can be used to buy, build, repair, and renovate houses. No down payment is typically required.

The next program I would like to talk about is our 504 program that provides loans to very-low income homeowners to repair, improve, or modernize their homes or provides grants to elderly very-low income homeowners to remove health and safety hazards. To qualify, you must own and occupy the house, be unable to obtain affordable credit elsewhere, have a family income below 50 percent of the area median income. For grants a person must be age 62 or older and not be able to repay a repair loan. The houses must be located in a rural area according to our regulations. A person can receive up to \$20,000 in loan funds and up to \$7,500 in grant funds. The loans are at 1% interest rate and can be repaid over 20 years.

The last program I would like to talk about is our Housing Preservation Grants which provides funds to sponsoring organizations for the repair or rehabilitation of housing occupied by low and very low income people. These funds can be applied for by most state and local governmental entities, nonprofit organizations, and federally recognized tribes. Applicants must have the necessary background and experience with proven ability to perform the repairs and rehabilitation of the low-income housing. The houses must be located in rural areas with 20,000 or federally recognized tribal lands. Funds can be used for repairing or replacing electrical wiring, foundations, roofs, insulation, heating systems and water/waste disposal systems.

If you would like to learn more about all of our programs, you can look us up on the internet at www.rd.usda.gov/pa. Providing these housing opportunities promotes prosperity, which in turn creates thriving communities and improves the quality of life in rural areas.