USDA / RURAL DEVELOPMENT

504 HOME REPAIR LOAN AND GRANT PROGRAM

Purpose: To assist eligible, very low income home owners with repairs to their home.

General requirements for the 504 repair program:

- Own and occupy the dwelling needing repair.
- Have an adjusted income within the Very Low income category (see reverse).
- Property must be located in an area with a population of 20,000 or less.
- The property must be safe, functionally adequate, and structurally sound after repairs.

Authorized loan and grant purposes: include but are not limited to:

- Installation or repair of sanitary waste disposal systems.
- Energy conservation measures such as insulation, windows, and storm doors.
- Repair or replacement of heating systems, electrical wiring, roofing, deteriorated siding, or inadequate plumbing.
- Repair or remodel to make accessible and useable for household members with disabilities.

LOANS:

Eligibility Requirements:

- Have a credit history that demonstrates a willingness to pay debts when due.
- Have sufficient income to repay the proposed loan.

Rates and terms: 1% interest with up to a 20 year term.

Maximum Loan Amount: $20,000.00
(Mortgage required if loan is over $7,500.00. Appraisal required if loan is over $15,000.00)

Affordability (examples):

- A $2,000.00 loan to insulate and install storm windows could cost as little as $10.00 per month.
- A $20,000.00 loan to replace the roof and heating system, and add insulation could cost as little as $92.00 per month.

GRANTS:

General Eligibility Requirements:

- Lack repayment ability for a 504 loan (In many cases a loan/grant combination may be made)
- Applicant or co-applicant must be at least age 62.
- Be unable to make the repairs with personal resources. Non-essential assets in excess of $30,000 must be applied towards the repairs.

Grant Restrictions:

- Grant funds may only be used for repairs and improvements that will remove health and safety hazards, or to make dwelling accessible to a household member with a disability.

Maximum Grant Assistance: $7,500.00 (lifetime limit)

For More Information Contact:

USDA Rural Development
1530 Samco Rd, Ste. 2
Rapid City, SD 57702
(605)342-0301 ext. 4

(Bennett, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Mellette, Pennington, Perkins, Shannon, and Todd Counties)

Income Limits

(6-02-10)

family size	1	2	3	4	5	6	7	8
Pennington County								
	20,200	23,100	26,000	28,850	31,200	33,500	35,800	38,100
Custer County								
	20,800	23,800	26,750	29,700	32,100	34,500	36,850	39,250
Lawrence County								
	19,650	22,450	25,250	28,050	30,300	32,550	34,800	37,050
Meade County								
	19,350	22,100	24,850	27,600	29,850	32,050	34,250	36,450
Bennett, Butte, Fall River, Haakon, Harding, Jackson, Mellette, Perkins, Shannon, and Todd Counties								
	18,850	21,550	24,250	26,900	29,100	31,250	33,400	35,550

Adjusted income is calculated as follows:

Total (gross) household income
Less $480 per child residing in the household
Less one full year of day care costs
= Adjusted income

For an elderly family (over 62 years old), the adjusted income is calculated as follows:

Total (gross) household income
Less $400
Less out of pocket medical costs for the next year in excess of 3% of the total household income
= Adjusted income

USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to: USDA, Director, Office of Civil Rights, Washington, DC 20250-9410.