

RURAL DEVELOPMENT
RURAL HOUSING SERVICE

“Applicant Information Sheet” – Single Family Housing

The Rural Housing Service (RHS) provides loans in rural areas to eligible low- and very low-income applicants. The loan may be to purchase existing housing, purchase and repair existing housing, purchase a building site and construct a dwelling, or purchase new housing. Rural areas include open country and places with population of 10,000 or less and, under certain conditions, towns and cities between 10,000 and 35,000 population.

For detailed information on income limits and eligible areas, visit:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

All who apply get equal consideration without regard to race, color, religion, sex, marital status, age, disability, or national origin.

The following documents are attached and may be completed and returned to Habitat for Humanity of Chester County Administration Office:

<p>Habitat for Humanity of Chester County Attn: Homeownership 1847 E. Lincoln Highway Coatesville, PA 19320</p>

- Form RD410-4, “Uniform Residential Loan Application”
- Checklist of items to accompany the Uniform Residential Loan Application

FREQUENTLY ASKED QUESTIONS

To determine if you qualify, review these frequently asked questions:

“DOES IT MATTER HOW MANY OTHER BILLS I HAVE TO PAY?”

RHS will look at your monthly obligations and how much you currently owe to others. We’ll want to know if paying back the proposed loan on top of your other payments will be difficult for you.

“WHAT IF I THINK MY INCOME IS TOO LOW?”

Having enough income to repay your loan is an important part of getting a loan; however, the RHS loan may be subsidized. A subsidized loan is based on the applicant repaying a percentage of their income toward the housing payment, taxes, and insurance. The percentage is generally 24 percent of the applicant’s household income.

“CAN I GET A LOAN IF I’M UNEMPLOYED?”

A steady source of income is very important to getting a loan. An applicant must show sufficient resources to repay the housing loan. Not having a job or a stable source of income may have an impact of the Agency’s decision. Experience has shown that applicants with stable jobs and income sources are more likely to repay the loan.

“WILL YOU FIND OUT ABOUT OTHER CREDIT I’VE HAD?”

Yes. Your credit report provides information on your payment history including any difficulty you have had repaying other loans or credit cards. That information will be used to determine if you can repay the loan.

“HOW MUCH MONEY WILL I NEED FOR A DOWNPAYMENT?”

A down payment is generally not required. Loans may be made for up to 100 percent of the market (appraised) value. Simply put, this means if the sales price of the property is equal to or less than the appraised value, no down payment is needed.

“ARE THERE OTHER ELIGIBILITY REQUIREMENTS?”

Yes the applicant must:

1. Be without decent, safe and sanitary housing.
2. Be unable to obtain a loan from other resources on terms and conditions that they can reasonably be expected to meet.
3. Possess the legal capacity to incur the loan obligation.
4. Be a U.S. citizen, a U.S. noncitizen national, or a qualified alien and provide acceptable evidence of qualified alien status.

“WHAT ARE THE TERMS OF THE LOAN?”

The maximum repayment period is 33 years and, under certain conditions, 38 years. The maximum repayment period for manufactured homes is 30 years.