

NEW JERSEY PARTICIPATING IN 504 REPAIR PILOT

Streamlined Changes to the Single Family Housing Repair Loan and Grant Program

Determining affordability for our home repair program is now easier than ever

USDA Rural Development has changed the [Section 504 Single Family Housing Repair Loan and Grant Program](#) to determine affordability based on income and a repayment ratio instead of a monthly household budget. We've also streamlined the process to make the program faster and more efficient. USDA can reach more rural homeowners living in extreme poverty.

Streamlined changes:

- Applicants living in extreme poverty could be eligible for 100% grant assistance up to the allowable \$10,000 maximum lifetime limit for eligible project costs.
- **Affordable loans** at a fixed 1% interest rate. A minimum \$1,000 loan, **only \$4.60 per month** or 15 cents per day.
- **Qualified homeowners may receive a maximum loan** of \$40,000 at a fixed 1% interest rate. Loans and grants may be combined for up to **\$50,000** in total assistance.
- **Very-low-income homeowners** with a repayment ratio between 30% to 46% may be eligible for a **50% loan and 50% grant**.
- Grant recipients must be age 62 or older.

Become a Housing Packager

- Any public, tribe, or private nonprofit organizations tax exempt under Internal Revenue Code can become a packager.
- Packagers may **earn up to \$500** per closed loan.
- No certification is required.
- New **automated worksheet** identifies the type of assistance a homeowner may receive.

Eligible areas

Generally, rural areas with a population less than 35,000 are eligible. Applicants may [check the address](#) of their home to determine eligibility online.

Governing laws

- The Housing Act of 1949, as amended, [7 CFR Part 3550, Subpart C](#)
- [HB-1-3550](#), Direct Single Family Housing Loans and Grants Field Office Handbook
- [Procedure Notice 504](#), changes to HB-1-3550

Grant Program

- Household income up to 30% of the Area Median Income limit or have monthly total debt (TD) greater than 46%.

Loan Grant Combination Program

- Household adjusted income below 50% of the Area Median Income limit.
- Monthly total debt (TD) between 30%-46% may qualify for combination loan and grant.
- Monthly total debt (TD) less than 30% may qualify for up to a \$40,000 loan only.

To learn more, contact your [local office](#) for assistance.

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