

Key Points
USDA Rural Development
(U. S. Department of Agriculture Rural Development Programs)
Rural Housing Service

Intro: The Rural Development State Office, located in Bozeman, administers three U. S. Department of Agriculture programs, supporting such essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. Rural Development promotes economic development by supporting loans to businesses through banks and community-managed lending pools, and provides technical assistance to cooperatives or community groups. The Rural Housing Service (RHS) helps rural communities and individuals by providing loans and grants for both single- and multi-family housing.

➤ **Programs funded**

1. Single-family Housing Programs:

- *Guaranteed Loans* for low to moderate income families trying to purchase homes who cannot obtain conventional financing without assistance.
- *Direct Loans – 502 Program* provides reduced interest rates for low and very low income families with little or no down payment on a home purchase.
- *Rural Housing Infrastructure Site Loans – 523 (Self-Help) and 524 Program* funds public and non-profit organizations to buy building sites and construct access roads, streets, and utilities that will service to low and moderate income families, non-profit organizations, public agencies and cooperatives.
- *Home Improvement Loans and Grants – 504 Program* lends for home improvement at a one percent interest rate to very-low income households and grants funds outright to these households to repair and improve housing conditions that present identified health and safety hazards.
- *Self-Help Housing Grants – 523 Program* funds nonprofit organizations (both public and private) that help very-low and low-income families finance and build their own homes by providing financial assistance to groups of 8 to 12 households who contribute sweat equity and work together under the guidance of professionals to build each other's homes.
- *Housing Application Packaging Grant (HAPG) – 509 Program* funds tax-exempt public agencies and private nonprofit organizations to package applications for submission to RHS. Grantees assist very-low and low-income applicants with the applications process by prescreening, making preliminary eligibility determinations, ensuring the application is complete, and helping the applicant understand the program.
- *Technical and Supervisory Assistance (TSA) Grants – 525 Program* funds public or private nonprofit organizations and Indian tribes to conduct programs of technical and supervisory assistance for low-income rural residents to obtain and/or maintain occupancy of adequate housing.

2. Multi-family Housing Programs

- *Farm Labor Housing – 514 & 516 Program* provides loans and grants to farmers, public or private nonprofits, and government bodies to build, buy or repair farm labor housing in either dormitory or multi-family apartment style.
- *Multi-Family Housing Direct Loans* finances, at current market rates, the construction of new multi-family housing for very-low and low-income households in rural areas.

- *Housing Preservation Grants – 533 Program* provides funding for Indian tribes, state agencies and non-profit organizations to repair and rehabilitate individual housing, rental properties or co-ops owned or occupied by very-low and low-income families.
- *Multi-Family Housing Guaranteed Loans – 538 Program* guarantees loans for non-profit corporations, public bodies and for-profit organizations seeking to provide multi-family housing to very-low, low-, or moderate income households.

➤ Eligibility

Generally, Rural Development services are for areas with less than 20,000 in population. Some are further restricted to communities with less than 10,000 or 5,000, with income limits as well. Each of the programs offered has specific eligibility requirements. Eligibility details for each program are available on the respective Internet sites (below), or through discussion with program directors.

➤ Application Process

After exploring the appropriate web site pages (below), applicants should contact Program Directors for each area to discuss potential grant or loan projects and learn detailed application requirements. Rural Development staff will be glad to discuss a community's needs and the services available from Rural Development and sister agencies within the USDA. Potential applicants in Yellowstone County should contact the County Commissioners and Big Sky EDA to inform both of interest in County sponsorship of a proposal.

➤ Deadlines

Deadlines are variable for each program within the three main areas. Applicants should inquire about deadlines once the appropriate area and program are determined.

➤ Resources for more information

Rural Housing Service Program Director is Deborah Chorlton, phone (406) 585-2551

The *Montana State Office* for USDA Rural Development is at P. O. Box 850, Bozeman, MT 59771. Phone number is (406) 585-2580.

The *Billings Area Office* is at Building A, 1629 Avenue D, Billings, MT 59102. Phone number is (406) 657-6297, Extension 4.

Internet address is <http://www.rurdev.usda.gov/mt/RHS/rhs.htm>.

[Besides USDA, another Federal agency, the U. S. Department of Housing and Urban Development's Office of Rural Housing and Economic Development, addresses some rural development issues. See their Internet site, the *Rural Housing and Economic Development Gateway*, at <http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/gateway/index.htm>.