

# Single Family Housing Guaranteed Loan Program

## What does this program do?

The Section 502 Guaranteed Loan Program assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas. Eligible applicants may purchase, build, rehabilitate, improve or relocate a dwelling in an eligible rural area with 100% financing. The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers – so no money down for those who qualify!

## Who may apply for this program?

Applicants must:

- Meet [income-eligibility](#) (cannot exceed 115% of median household income)
- Agree to personally occupy the dwelling as their primary residence
- Be a U.S. Citizen, U.S. non-citizen national or Qualified Alien

## What is an eligible rural area?

Utilizing this [USDA's Eligibility Site](#) you can enter a specific address for determination or just search the map to review general eligible areas.

## Why does Rural Development do this?

This program helps lenders work with low- and moderate-income households living in rural areas to make homeownership a reality. Providing affordable homeownership opportunities promotes prosperity, which in turn creates thriving communities and improves the quality of life in rural areas.