

Rural Housing Site Loans

What does this program do?

Rural Housing site loans provide two types of loans to purchase and develop housing sites:

- **Section 523 loans are used to acquire and develop sites only for housing to be constructed using the Self-Help method. You can learn more about the USDA Rural Development Self-Help Housing Program at this link: <https://go.usa.gov/xzHV4>, and also in RD Instruction 1944-I, available at this link: <https://go.usa.gov/xzHVb> (PDF).**
- **Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.**

Who can apply?

- Section 523 loans: Private or public nonprofit organizations that will provide sites solely for self-help housing
- Section 524 loans: Private or public nonprofit organizations. The building site can be sold to low- or moderate-income families
- Nonprofits that have the legal authority to operate a revolving loan fund
- Nonprofits that have the financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations
- Federally-recognized Tribes (information is available at this link: <https://go.usa.gov/xzHPW>)

What is an eligible area?

Properties must be located in an eligible rural area. Visit the USDA Income and Property Eligibility website (available at this link: <https://go.usa.gov/xzcdM>) for details.

How can funds be used?

Site loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.

What are the loan terms?

- 2-year loans
- Section 523 loans: 3 percent interest rate

- Section 524 loans: below market rate (established and published monthly); fixed at closing

How do we get started?

Applications are accepted year-round. You can apply through your local RD office. A list is available at this link: <https://go.usa.gov/xzHPf>.

Who can answer questions?

Your local RD office can answer questions. See “How do we get started” for a link to our state-based offices.

What governs this program?

Standards: Site development standards and policies can be found in RD Instructions 1924-A (available at this link: <https://go.usa.gov/xzHpR> - PDF), and 1924-C (available at this link: <https://go.usa.gov/xzHpV> - PDF).

Basic Instruction: Information can be found in RD Instruction 444.8 (available at this link: <https://go.usa.gov/xzHpw> - PDF), along with RD Instruction 1924-C, as listed above.

NOTE: Program details can change over time. Before you start your application, please contact a housing site loan specialist in your local RD office to confirm you are using the most current information.

NOTE: Because citations and other information are subject to change, always consult the program instructions listed in the section above titled “What Governs This Program?” You can also contact your local office (information is available at this link: <https://go.usa.gov/xzHPf>) for help. You will find additional forms, resources, and program information at <https://www.rd.usda.gov/>. *USDA is an equal opportunity provider, employer, and lender.*