

# Rural Housing Site Loans

## What does this program do?

**Rural Housing site loans provide two types of loans to purchase and develop housing sites for low- and moderate-income families:**

- **Section 523 loans are used to acquire and develop sites only for housing to be constructed by the Self-Help method. Refer to [RD Instruction 1944-I](#) for more information about the Self-Help program**
- **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. Low-income is defined as between 50-80 percent of the area median income (AMI); the upper limit for moderate income is 115% of the AMI**

## Who may apply for this program?

- 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 may be sold to low- or moderate-income families utilizing USDA's Housing and Community Facilities Program's (HCFP) loan programs, or any other mortgage financing program that serves low- and 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](#)

## What is an eligible area?

Applicants can check eligible areas at [eligible addresses](#).

## How may 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 terms of the loans?

- 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 for this program are accepted year round. Please apply through your [local RD office](#).

## Who can answer questions?

Contact your [local RD office](#).

## What governs this program?

**Standards:** The site development standards and policies in RD Instructions 1924-A and 1924-C apply

**Basic Instruction:** RD Instruction 444.8 (CFR Part 1822 Subpart G) and RD Instruction 1924-C

**NOTE:** Program details may change over time. Before you begin an application, please confirm you have the most current information by contacting a housing site loan specialist in your [local office](#) for assistance.

---

**NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact your [local office](#) for assistance. You will find additional forms, resources, and program information at [rd.usda.gov](#). USDA is an equal opportunity provider, employer, and lender.**