

Rural Development Loan

Basic “Quick Facts” for the Rural Development Loan

The USDA Rural Development Loan is currently available to help families buy homes in areas that our government considers ‘Rural’. This does not mean that you will be buying a farm. This program allows you to buy a house in such areas as downtown Armada, Romeo, Richmond and Oxford. A general rule of thumb is that most homes in Macomb and Oakland located north of 26 Mile Rd. will qualify. As a matter of fact, every county in the State of Michigan has areas that will qualify!

A Few Amazing Fact About RD Loans...



- ◆ **100% Financing—No down payment needed.**
- ◆ **6% seller’s concessions allowed, pays all your closing costs.**
- ◆ **Primary residences only, Excludes rentals and commercial.**
- ◆ **Cannot own another home within commuting distance in Michigan.**
- ◆ **It is a 30 year fixed rate loan with no prepayment penalties.**
- ◆ **You can be a new college graduate with your first job and qualify with current income.**
- ◆ **100% of third party gifting is allowed.**
- ◆ **Minimal mortgage insurance required.**
- ◆ **Minimum credit score of 640.**
- ◆ **3 years from foreclosure or bankruptcy discharge.**
- ◆ **A family of 1 to 4 people cannot have a household income greater that \$81,650 per year.**
- ◆ **2 years of work history required.**
- ◆ **If self-employed, 2 years of tax returns required.**
- ◆ **Debt to income ratios should not exceed 41% of total monthly income.**
- ◆ **Property cannot be income producing.**
- ◆ **The property site value cannot exceed 30% of the total appraised value.**
- ◆ **Water tests are required for private systems.**
- ◆ **Property must be located in a rural development zone.**
- ◆ **To look up counties or specific addressed, go to: <http://eligibility.sc.e.gov.usda.gov>**

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