# 504 PROGRAM SUMMARY

## LOAN AMOUNT, FEES, TERMS, PURPOSES

| Maximum Amounts | • $20,000—maximum amount of outstanding loan balance at any time  
|                 | • $7,500—maximum amount of lifetime grant assistance  
|                 | • Both loans and grants are limited by applicant’s repayment ability  
|                 | • Loan and grant combinations are encouraged 

| Terms | • 20 year term for loans  
|       | • Grants do not have to be repaid unless property is sold within 3 years of grant approval 

| Interest Rate | • Loans—1% fixed interest at closing  
|              | • No interest charged on grants 

| Purposes | • Grants must be used to remove health and safety hazards  
|         | • Loan funds can be used to repair, improve or modernize borrower’s residence 

## APPLICANT GUIDELINES*

### Credit
- For grants, credit is not evaluated, however, applicant is ineligible if they have an outstanding judgment in US federal court (except tax court)
- No minimum credit score required by Rural Development
- Non-traditional credit is allowed for applicants with less than two scores
  - 3 sources are required (utilities, rent, insurance, etc.)
- Some instances of unacceptable credit
  - Late payments
  - Collections
  - Judgements
  - Bankruptcy within past 3 years
- Credit waivers are possible

### Age Requirement
- For grants, applicant must be 62 years of age or older
- For loans, applicant must be 18 years of age or older

### Employment
- No minimum history requirement. Income must be considered stable and dependable.

## PROPERTY GUIDELINES*

### Property
- Must be in a rural area; typically, less than 20,000 population
- Must be owned and occupied by applicant
- Must be modest
  - Area Loan Limits apply (all counties are at $220,532 or higher)
  - No income producing property

* Refer to the following resources for additional program requirements.

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