

Biden/Harris Administration Relocating Inadmissible Aliens to Rural Towns Across Montana

**Through the USDA 502 Program Which Subsidizes Home Purchases with:
1% Interest Rate, No Money Down and Up to 38 Year Terms**

The Biden/Harris administration expanded the USDA Section 502 single family direct housing program to help low-income applicants achieve rural homeownership for both citizens and inadmissible aliens. All of Montana is considered rural by the USDA and Missoula is recognized as a United Nations Refugee Resettlement Area where many non-government organizations welcome inadmissible aliens. It is part of the process that welcomes refugees from every part of the world from Afghanistan to Gaza to Zimbabwe.

Upon arrival, they are assisted in finding housing outside of Missoula. They are often relocated to more rural counties across the state. A noteworthy point is that each refugee is eligible to participate in this USDA homeownership program as they immediately qualify as being housing



insecure and low income, which are requirements of the program.

On July 11, 2024, the Senate Appropriations Committee approved a fiscal year 2025 budget that increased the funding for the 502 program to \$1 billion. This program is designed to assist those who are facing housing insecurities, including veterans, single mothers, and young professionals such as police officers, paramedics, or teachers; however, the NGOs are also able to use the program to acquire homeownership for the inadmissible aliens they are resettling into Montana.

If you or someone you know is exhausted from dealing with substandard rentals and believe that homeownership is an unattainable dream, we encourage you to apply. This initiative could be your stepping stone towards secure and improved living conditions. The cost is \$30 for a credit check and the program can cut mortgage payments for a home up to 50% less than a conventional loan.

This program is designed to make homeownership more accessible and affordable in Montana for those who might not qualify for traditional mortgages and need assistance with finding permanent housing in our rural Montana Communities. If you would like to apply or have any specific questions or need further details, call Heidi Anderson at the USDA office in Billings: 406.756.2005 or email her at: Heidi.Anderson@usda.gov 📧

Here are some key points about the program:

- 1** This program assists low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.
- 2** USDA direct loans offer less traditional loan term options of either 33 years or 38 years. The term you qualify for will depend on your income level. The interest rate attached to your loan will be set by the government.
- 3** Purpose: The program aims to assist low- and moderate-income households in rural areas to purchase, build, rehabilitate, improve, or relocate a dwelling including non-citizens who are paroled into the United States from the border or flown directly.
- 4** The property can not be a production property (cannot be a working farm or ranch etc.).
- 5** Generally, the maximum housing expense (including mortgage payment, taxes, and insurance) is limited to 30% of the buyer's gross monthly income.
- 6** The USDA guaranteed loan does not have a listed minimum credit score requirement and is determined on a case-by-case basis. However, some credit situations such as delinquent child support might make an applicant ineligible.
- 7** In Carbon, Stillwater and Yellowstone County, the maximum home market value is capped at \$603,000.
- 8** If you are facing financial difficulties and can't make payments on your USDA 502 Direct Loan, there are options available to help you manage the situation:
 - Payment Assistance: You can request a payment assistance package to see if you're eligible for reduced payments based on your income.
 - Moratorium Assistance: If you're experiencing financial hardship, you can request a payment moratorium, which temporarily suspends your payments. This can be granted for up to one year and can be extended for an additional year if needed.