



Lake Area Community Development Corporation

Housing initiative for Camden, Miller, Morgan, and Laclede

Our mission is to implement programs, education, and resources regarding housing for the lake area community.



USDA Rural Development 502 Direct Home Loan Program

- **LACDC** serves Camden, Laclede, Miller and Morgan Counties and supports the USDA RD 502 Direct Home loans to promote economic development in places with smaller populations and to benefit low to very-income homebuyers in rural areas. By providing these affordable homeownership opportunities promotes prosperity, creates thriving communities, and improves residents' quality of life in rural areas. Also, with the 502-home loan there are typically not down payments required which also makes it affordable for homebuyers in these areas.

USDA 502 Direct Home Loan Program

Approved Home requirements...

- Unable to obtain a standard/traditional mortgage residential home loan, whether be a first-time homeowner, a current or previous homeowner.
- Have a debt-to-income ratio no greater than 41% per USDA rule.
- Household income cannot exceed 115% of the area median income level below, per up to one to four-member working household.

Low / Very low

Camden County: \$59,100 / \$36,950

Laclede County : \$50,800 / \$31,750

Low / Very low

Miller County: \$50,300 / \$31,450

Morgan County: \$50,300 / \$31,450

- Stable employment for at least **two years**. Multiple jobs or job changes are allowed but applicant(s) must be employed consistently for two years.
- Applicants must not be suspended or barred from participation in federal programs.
- Minimum credit scores must be at least 640 (collections waived if credit scores are over 640).
- Credit scores under 640 all collections must be paid in full or have written letter of explanation of why the debt and the action to pay and clear the debt in full.
- Must be U.S. Citizen, U.S. Non-Citizen National or Qualified Alien.
- COE Cert of Eligibility RD-1944-59, will state the maximum loan amount and will expire within 45 days. If actively looking for property, the COE may be extended for 2 – 30day extensions.
- Potential Applicant needs to start out early with Pre-Qualification C before shopping for a home!!!

USDA 502 Direct Home Loan Program Approved Home requirements...

- USDA allows Single family homes, Multi family, Planned-unit developments.
- USDA allows Condominiums, Modular homes, Manufactured homes.
(Only manufactured homes are required to be permanently attached homes)
- New construction for homes that have never been occupied / Warranty.
- The home must be used as the primary applicant homeowner's residence only, it cannot be used as a second home or use the home to make income producing activities.
- Homes need to be 2,000 square feet or less
- Cannot have an in-ground swimming pool
- Property size must be below 5 acres and not sub-dividable
- Inspection is required / Termite inspection
- Appraisals are required

- Ensure applicant meets the USDA 502 Direct Home Loan requirements
- Find a USDA Approved 502 Direct Home Loan Lender
- Get Pre-Qualified or Begin the Formal Application for USDA 502 Loan
- Find an approved USDA 502 Direct Home
- Take the Online Homeownership Education Course
- Make and Offer to the Seller
- Receive a USDA 502 Home Loan Appraisal
- USDA Loan Processing, Underwriting and Closing

Approved Homeownership Education Classes

Please be advised that Rural Development has a homeownership education requirement for first-time homebuyers. Attached is a list of Agency-approved homeownership education providers. You are expected to successfully complete homeownership education from an Agency-approved provider prior to entering into a sales contract to purchase or construct a home, since the training prepares you for shopping, buying, financing, and owning a home.

Complete one of the four nationally approved online homeownership education courses:

- **eHome America** - <https://ehomeamerica.org/usda> (cost \$75),
- **Framework** - <https://www.frameworkhomeownership.org/> (cost \$75), and
- **Utah State University** - <https://extension.learn.usu.edu/> (select Home Buyer Education) (cost \$60 for the applicant and \$5 for a co-applicant)
- **North East Community Action Corporation (NECAC)** – <https://necac.org/home-ownership-training> (\$0 to \$115)

Upon completion of the course, you must provide documentation that you have successfully completed the course by submitting a certificate of completion or letter from the certified provider.

There is generally an out-of-pocket fee for the training, which can be reimbursed should the loan request be approved and closed. Please be advised if you do not close on your loan, you are responsible for the homeownership education fee.

For more information, please visit our website at www.lakeareacdc.com

Lake Area Community Development Corporation (LACDC)

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P.O. Box 3553

Camdenton, MO 65020

Or you may contact a Loan Officer at [\(573\) 346-5692](tel:5733465692).

