Housing Programs

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The purpose of the rural housing program is to provide families in rural areas, who do not have an adequate home or farm service buildings, an opportunity to have decent homes or essential farm service buildings. Rural areas include farms, open country and small rural towns with populations of not more than 5,500. To accomplish this objective, title V of the Housing Act of 1949, as amended, authorizes loans to families to build, improve, or buy homes and farm service buildings. For families with insufficient income to repay a loan for adequate housing, small loans and grants are authorized for minor repairs to remove hazards to the health and safety of the family and the community. To give elderly persons in rural areas who do not desire to own their own homes an opportunity to rent adequate housing suited to their needs, loans may be made to finance rental housing for them in rural areas. Loans and grants may be made to provide housing for both seasonal and residential domestic farm labor.

2. Operation

The Farmers Home Administration, a Department of Agriculture agency, provides supervised credit and management advice to rural families and groups who are unable to get sufficient credit from any source at reasonable rates and terms. The national office, under the direction of an Administrator, issues procedures, controls budgets, and gives technical training to field staffs. The 42 State offices serve all States, Puerto Rico, and the Virgin Islands. A State director is in charge of each State office. He and his staff direct and train county office staffs, analyze loan programs, control State budgets for loans, and approve the larger loans. Some 1,600 county offices are located throughout the country. Some offices serve several counties. All applications for loans are made at the county offices. The county supervisor who is in charge of each office is a capable agriculturist who approves most loans, gives technical advice to borrowers, services security given for loans, makes collections from borrowers, and transmits the collected funds to the National Finance Office. County Farmers Home Administration Committees, consisting of three members, are appointed by the State director. These committees determine the eligibility of applicants and make recommendations concerning certain loan approval and loan servicing actions.

3. History

The rural housing loan program was authorized by title V of the Housing Act of 1949. Initially the act authorized direct loans to farmowners to finance dwellings and farm service buildings for use by farmowners or their tenants or laborers. A farm was defined as a parcel of land operated as a single unit, used for agricultural production and customarily producing or being capable of producing $400 worth of agricultural commodities for sale and home use.

In 1961 the basic law was amended to permit loans to owners of nonfarm real estate in rural areas. This included building sites in open country and small towns defined by regulations as rural towns of not more than 2,500 population. Authorization also was added in 1961 to make insured loans to provide housing for domestic farm labor.

Special attention was given to the housing needs of the elderly families in rural areas in 1962. In that year, the authority to make