



United States Department of Agriculture

WELCOME TO THE RURAL DEVELOPMENT LABOR HOUSING PROGRAM

Purpose: The labor housing program provides loan funds to a farm owner, family farm partnership or corporation, or association of farmers who derives a substantial portion of income from agriculture to build or purchase decent, safe and sanitary housing for essential domestic farm labor as part of their employment compensation.

Loan Rate and Term: 1% Mortgage Loan not to exceed a 33 Year Term

Credit: An acceptable credit history is required to show the ability to meet payments as they become due and payable. **The applicant cannot afford to finance and provide rent free/utility free housing to farm labor tenants at conventional bank rates and terms.**

Security: Adequate Mortgage Security on the proposed housing. A separate and identifiable mortgage on the proposed housing on a minimum adequate site is required.

Loan Purposes: To build, buy or repair existing housing, purchase land (minimum adequate site) and construct housing and related facilities.

Restrictions:

1. Be a citizen of the United States, and/or its Territories, or if an entity the majority of its members and controlling interests meet this definition.
2. Not provide housing for the members of the immediate family (mother, father, brothers, sisters, sons and daughters of the applicant).
3. Loan funds cannot be used to refinance debts.
4. Execute a Loan Agreement or Resolution which contains restrictive use provisions for the use of the property. Tenant occupancy must be reported annually. A 20-year prepayment restriction will be in effect that the housing cannot be sold or refinanced unless demonstrated that the labor housing is no longer needed.
5. Provide housing consistent with Title VIII as amended by the Civil Right Act of 1968.
6. Farm labor tenants must be provided housing that is shelter cost free. This includes rent and utilities.

Funding: The nationwide availability of Labor Housing funds is extremely limited. Funding cannot be guaranteed and is available on a first come first serve basis based upon a complete package. We encourage submission of an application with a housing commitment that is as flexible as possible (i.e. proposed purchase and sales agreements, refundable deposit on contract, contractors construction estimate versus a formalized contract, etc.).

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