



# RSA TODAY

News for New York State's Rural Schools

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Rural Schools Association of New York State



Our rural Olympic Diving Complex!

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## School Funding

I recently had the chance to go over some financial and student performance data from the Long Island area. I learned quite a bit; chief among the revelations was that it simply costs more (sometimes as much as a third more) to pay for everything (including education) in this high cost part of the country. But the data highlights something more: The widening gulf between wealthy and less wealthy districts, even within this area that is generally characterized as high achieving.

From graduation rates, to drop out rates to success rates of English Language Learners, the statistics begin to prove that the public school funding debate shouldn't be region versus region, but about providing adequate resources to students wherever they may be located. They highlight this in dramatic fashion, leading me to one firmly held conclusion. I believe that the next iteration of the school funding debate will be about redistribution as much as the total. The assumption is that the state can't sustain 6% education aid funding increases (and cannibalizing all other state agencies to accomplish it) in perpetuity; so within our already significant level of total funding, how do we distribute it to address the equity issues the report so graphically points out? I would suggest it be done with a new formulaic focus on poverty, language and transience, as well as income and property values within a district.

Since the onset of the Great Recession, too many of our school districts have seen dropping enrollment. Many districts have seen declines in income and property wealth as well. In a system that currently compares districts, this means that even though you're a poorer district than you used to be, so are others and you don't necessarily receive more aid. If the Shares Agreement (that has always provided a certain percentage of aid to upstate, another percentage to New York City and another to Long Island) is to remain sacrosanct, then the discussion should be about how to distribute aid within any region's total allocation-not simply preserve the status quo that allows demographic shifts to create inequality. We need a system that is flexible enough to recognize change and adjust aid levels appropriately. No more of this business of showing losses in property value three years after they happen. It's the computer age for crying out loud! The state can make these changes instantly. Look what happened to districts like Marlboro, where a power plant closed and they lost half of their property wealth overnight. The state's response? A little member item money here, a little grant funding there, but no legitimate realization that their world was upside down!

This year, the situation was made worse by the state's clinging to its property tax cap law. As a result of the law's absurd connection to the consumer price index, the cap became a local property tax freeze for most districts and a cut in others. The tax levy limit exacerbates the school aid distribution problem by forcing both "haves" and "have nots" to rely on state aid for increases, rather than directing state aid increases to address the disparity in educational outcomes. If I'm a comparatively wealthy district, I usually rely on local revenue for the vast majority of my budget, with state aid providing a smaller piece. If you freeze my local revenue, all of the money I need to pay for increases in actual expenses must come from state aid, forcing me to compete with districts that can only rely on state aid no matter what the cap says from year to year. Making matters worse, New York State seldom if ever changes or drops what it has always done to make room for something new. It simply layers the new on top of the old, so costs never even out. Sure there have been exceptions, like Tier VI of the retirement system, but you'd be hard pressed to find any other examples of significant cost reductions for schools. If we begin with the premise that everyone has to keep doing what they've always done, there is little left to improve conditions for those who have not found success with what they've always been able to do.

The "shares agreement" has always had a basic flaw. Increasing aid to an entire region for any reason (like regional cost) requires that it be taken from other regions and you have to ask which region is better off and can afford the loss. There isn't one, naturally and so to me, the more appropriate advocacy position is to fight against the growing inequity between districts, where students have been historically shortchanged and the statistics clearly show the diminished educational result of that approach.

Policy makers in Albany have traditionally pointed to things it already does to help out when the system isn't working, like implementing a High Tax Aid category. But lawmakers are becoming more constrained in their creativity. The reimbursable categories of BOCES, Building Aid, Special Ed and Transportation Aid are always paid first, since it is money already spent by districts. This is a problem since wealthy districts typically spend the majority of funding in the reimbursable categories (on the premise that they have it to spend and await reimbursement, while other districts cannot afford to spend it in the first place and so have lesser access to those categories of funding.) As the reimbursables are paid first without question, the complaint is that (as in this year's allocations) the **least wealthy got paid last**, after the GEA restoration statistically paid the most to wealthier districts that had most of the remaining shortfall, the reimbursables were paid and the shares were calculated to make sure no region saw a decrease. With those impediments, the state was less able to direct resources to low wealth districts, as it had in recent years. (70% of the increase to low wealth districts in the past couple of years prior to this year.)

All of which is a longwinded way of saying that for me, the Long island data makes a very clear and poignant argument that low wealth districts within the region are receiving less and educationally, it shows. I think if the information were extrapolated to include data on post-secondary success of students, it would be even more dramatic, due to the low wealth students' lack of support-both social and institutional.

I believe that with New York State's existing high level of per capita debt and its current approach to educational funding, we are rapidly approaching a tipping point where we will be unable to sustain the public educational system as we know it. When that happens, the state will face a remarkably diminished quality of life. Take a look at the State of Arizona for a peek at where New York might be headed. There, resources are fragmented between charter schools, tuition tax credits for private and parochial schools and the "traditional" public schools. No one has enough to do it right and their educational results have been affected. Teachers are leaving the state in droves, thanks to low salaries, lower morale and a public that has tired of all the talk and the poor results. It's not a state we want to emulate, folks.

Both the Long Island data (which points out the link between the funding gap and the achievement gap) and the situation in Arizona (which shows what happens if we ignore the problem) are wake up calls. There's still time, but not if we're mired in the past. We simply can't hang on to the way we've always done things, even if the politics are challenging. Somehow we've always found it easier to shortchange our children than the adults whose voices are politically louder. On the issue of public education, that's myopic. Perhaps for educational funding, we're like Woody Allen in the movie *Annie Hall*, where he says that we're like a shark; constantly needing to move forward or die. Friends, without a reversal of our state aid distribution scheme, I fear we are fast becoming a dead shark.



U.S. Department of Education

## **YOUR CHANCE TO DIRECTLY HELP YOUR SCHOOL DISTRICT!**

Your Rural Schools Association is helping to secure a Comprehensive Assistance Center for our region. The location of these 10 national centers will be assigned by the US Secretary of Education, based on the educational needs of the area. A center in our area would provide technical assistance, training and professional development on the new Every Student Succeeds Act, as well as the latest information on scientifically valid teaching methods and assessment tools. Information from the center would be distributed throughout the educational community, reaching teachers, parents, school officials and researchers. The effort is intended to improve academic achievement, close learning gaps and provide training for educators, among others.

The location of one of the new centers would go a long way in helping to clarify the morass New York State has been embroiled in regarding assessment. It would provide help in effective instructional techniques and communication between school officials, parents, teachers and students. What a tremendous new resource-and it couldn't have come at a better time! To be chosen as one of the 10 center sites, we need to document the educational needs of our area.

The survey link provided below is your one and only opportunity to identify the educational needs of rural New York State and help secure the help needed to address those needs. PLEASE take the time to complete the short survey and do your part to obtain this assistance for our schools!

Link to survey: <https://www.surveymonkey.com/r/PML2GPN>

### **NREAC Survey**

Your RSA participates in the National Rural Education Advocacy Coalition (NREAC) that is run through AASA. Through its advocacy, NREAC has created a survey that will be shared directly with the US Department of Education as part of its rulemaking process for the new Every Student Succeeds Act (ESSA.) If you can, please take the time to fill out the enclosed survey to help affect this important process.

Rural advocates fought hard to ensure the Every Student Succeeds Act (ESSA) contains a formal review by the U.S. Department of Education to ensure its policies, programs, practices and people are meeting the educational needs of students attending schools in rural and isolated communities. To better understand how to most effectively integrate the needs of rural schools and families into the Department's work, they have asked AASA to facilitate feedback from rural stakeholders. When you have a moment, please take this 6 question survey. It should take approximately 7 minutes to complete. We will be sharing the responses directly with the Department in August.

In order to participate, you may either: Click on this link

1. Click here

2. Copy-paste the entire following link between quote marks (NOT including the quote marks) in a web browser  
" <http://survey.k12insight.com/k/SsUVURsRRVsPsPsP> "

The survey will expire on August 3rd.



Conference sponsor PLS Third Learning's Michael Horning, Jr. meets in the exhibition hall with former RSA Chair Mike Wendt and RSA Board member Tom O'Brien.

## RSA SUMMER CONFERENCE "BEST EVER!"

The theme of the 2016 RSA Summer Conference promised a lot: Reimagining Rural Schools-Now or Never! Simply put, it delivered. In just a little over 36 hours, attendees heard about the state's plans for public education from both New York State Commissioner of Education Maryellen Elia and the governor's top education official, Deputy Secretary Dr. Jere Hochman. They heard about the new federal education law from the top federal education official for rural education, Assistant Secretary Lucy Johnson. They heard about the future of public education and how technology will dramatically alter our goals and our methods from International Center for Leadership in Education, Dr. Bill Daggett. And they heard how rural communities can be revitalized through a partnership with the US Department of Agriculture from its Rural Housing Director, Tony Hernandez. Finally, a

panel of top political, media and education experts provided their perspective on where we're headed as a state, a nation and the impact it will have on public education in our rural communities.



Founder and Chairman of the International Center for Leadership in Education, Dr. William Daggett clued conference attendees in to dramatic changes facing society, business and 21<sup>st</sup> Century students.



United States Department of Agriculture's Rural Housing Administrator Tony Hernandez spoke to the conference about the ability of USDA funding to "build rural communities from the ground up" by offering very low interest loans for a number of school related projects. He encouraged districts to contact your Rural Schools Association for information about how to gain access to the millions of dollars available.



Governor Cuomo's top education advisor, Deputy Secretary Dr. Jere Hochman provides conference attendees with insight into the administration's approach to public education.

Between these high level presentations, conference-goers heard about the most innovative programs and services currently being used by our fellow districts. Each session was hand selected for its ability to be replicated in rural schools across the state. Presentations ranged from on line superintendent evaluations and using adventure leadership in education to early college models and using district reorganization to overcome fiscal stress in a community. From STEM and the P-Tech learning methods to site based experiences that enhance career building for students, the summer conference provided the latest, from the best.





RSA patriarch Jim Loomis receives the Dr. James C. Dawson Lifetime Service Award from Executive Committee Member Ed Engel for his decades of dedicated service to your Rural Schools Association



Executive Committee Member Tom Huxtable presents the Anne Z. Paulin Distinguished Service Award to long serving RSA Board Member Gilbert Green.



RSA Appreciation Awards were presented to (L to R) former RSA Board Chairs Michael Wendt, Gordie Daniels and Deputy Executive Director Tom Marzeski.



Noting the Cooperstown setting, NYS Education Commissioner Maryellen Elia accepts a personalized bat from RSA Executive Director Dave Little

And that wasn't all! Recognizing that it's all about the students, we heard presentations from the Future Farmers of America Oratorical Contest Winners, Jacob Ax of Stockbridge Valley and Jack Ballard of Hamilton. Each was provided a \$1500 scholarship from the Rural Schools Foundation. The conference featured additional vendors and the array of services was impressive. One of the most important aspects of any gathering of rural schools is the recognition of those who put their heart and soul into our kids' education. The awards crossed a wide spectrum: From the Cooperstown custom baseball bat presented to Commissioner Elia (she speaks softly, so we gave her a big stick!) to the James C. Dawson Lifetime Achievement Award presented to RSA stalwart Jim Loomis. In between, there were awards recognizing legislative service in helping eliminate the GEA (to Sen. Michael Ranzenhofer) and appreciation awards to several former and current staff members whose help has been invaluable over the years.

We even helped NYSSBA present their Champion of Change Award to J.W. Allen of Belleville Henderson (a recent Cornell grad from a rural district board of education.)



Senator Michael Ranzenhofer accepts the RSA Appreciation Award from Executive Committee Member Ed Engel, for his work in eliminating the GEA and his support of rural education



NYSSBA President Susan Bergtraum took the opportunity of the RSA Summer Conference to present the NYSSBA Champion of Change Award to John (J.W.) Allen of Belleville Henderson schools, as Superintendent Rick Moore shows off the district's plaque. Allen never missed a meeting in his first term of office, despite traveling more than 2 hours from Cornell, where he recently graduated. He is credited with "changing the culture from contentiousness to collaboration".



Former RSA Executive Director Dr. Bruce Fraser accepts the appreciation of the association for his work in recognizing the need of members to focus on rural school advocacy



**United States Assistant Secretary of Education for Rural Outreach, Lucy Johnson addresses conference attendees, while FFA Oratorical Contest Winners Jacob Ax of Stockbridge Valley and Jack Ballard of Hamilton wait to present their winning speeches.**

With so many learning opportunities, attendees were surprised that they also had an opportunity to provide information. Assistant Secretary of Education Johnson requested their help in gathering information to be provided by the US Department of Education in a report to Congress on how to better serve rural school districts. What better group to engage than those attending the RSA Summer Conference? Here is Assistant Secretary Johnson's response to the effort:

"Thank you for making this one of my best trips of 2016! Your colleagues were extremely helpful to me, and I'm very happy with the feedback I received. In addition to the listening session, I found friendly folks who were eager to chat and include me in their conversations after-hours at the downstairs bar – something that usually doesn't happen at education conferences. You should be proud at producing an excellent event, and filling it with so many friendly folks!"

Thanks, Secretary Johnson. We are indeed proud of our folks and the conference, as well as grateful for the participation of our federal partners.



**Activity at the conference receptions was busy, with a half dozen new vendors and several sponsors meeting with attendees.**



**New York Public Radio's Karen DeWitt (left) moderates a discussion on public education with New York State PTA Executive Director Kyle McCauley Belokopitsky, NYS Council of School Superintendents Deputy Director Bob Lowry and former governor's senior advisor and political scientist, Bruce Gyory**

The only thing to do after putting on a great event, is begin planning to put on an even better one and your RSA staff is already laying the foundation for 2017. We plan to expand our vendor area to allow you to learn about an even broader array of goods and services that can make your district more effective and more efficient. We're going to reach out to the National Baseball Hall of Fame to learn about their innovative educational programs and provide our attendees with a private tour of the hall. We've secured more rooms at The Otesaga for our attendees, so that most everyone will have the pleasure of staying at that glorious location. Reading, Writing and Relaxation: A winning combination at the RSA Summer Conference!



## **DR. GRETCHEN RYMARCHYK JOINS RSA STAFF**



**Dr. Gretchen Rymarchyk**

Following a lengthy search, Dr. Gretchen Rymarchyk has been hired as the new Deputy Executive Director of the Rural Schools Association of New York State. The appointment also makes her the Deputy Director of the Rural Schools Program at Cornell University. She succeeds “retiring” RSA Deputy Executive Director and former Interim Executive Director Tom Marzeski, who will remain on staff as Assistant Director, focusing on conference planning. Tom was a recipient of an RSA Appreciation Award at the 2016 Summer Conference.

Dr. Rymarchyk comes to RSA from a teaching position at Keuka College, having held positions at Cornell, Syracuse University and Tompkins Cortland Community College. She received her doctorate from Cornell, her masters’ degree from Syracuse and did her undergraduate work at Hofstra University. She has published nearly two dozen research works, has secured a number of grants and has past experience with Cornell Cooperative Extension. She serves on a number of Ithaca area community organizational boards.

At your Rural Schools Association, Dr. Rymarchyk will focus on seeking out and then providing the research available for member districts that emanates from the various Cornell schools, like the Dyson School of Economics and the International Labor Relations school. She will also coordinate new research, using Cornell graduate students and participate in the work of the Community and Regional Development Institute (CaRDI). In addition to her strong research capabilities, Dr. Rymarchyk brings excellent technological, communication and presentation skills; all of which will soon translate into increased programs and services to RSA member school districts.

Dr. Rymarchyk was introduced to RSA members at the recent Summer Conference. She will be located at the RSA office at Cornell. Her hiring allows RSA to respond more quickly and effectively to member requests for assistance. Please don’t hesitate to call on your Rural Schools Association whenever you think we can help! On behalf of all RSA members, we welcome Dr. Rymarchyk to the Rural Schools Association and wish her a long and rewarding career helping our rural schools!

# **RURAL SCHOOLS SUMMIT COMES TO NYSSBA CONVENTION!**

## **EVENT PROVIDES “RURAL SPECIFIC” TRACK FOR BOARD MEMBERS AND SUPERINTENDENTS**

Building on the success of the 2016 Summer Conference “Reimagining Rural Schools: Now or Never”, your RSA is poised to present another top notch educational experience for rural school leaders. Partnering with the New York State School Boards Association, RSA will present a day long summit of innovative new educational programs and services that can easily be replicated in your district!

The **2016 Rural School Summit** will take place on Thursday, October 27<sup>th</sup> at the Buffalo Convention Center, as part of the NYSSBA 97<sup>th</sup> Annual Convention and Education Expo. Plan to arrive early to the NYSSBA Convention, as the summit occupies the jumping off point on the first day of the convention. The summit is being presented to all rural school officials (members and non-members alike) as a free RSA service, so there is no additional fee associated with the event. However, please note that convention registration is required to attend the summit.

The summit will begin mid-morning on Thursday and each of the three session times will consist of two separate presentations from which to choose. Each of the six presentations will focus on ways a rural school district or BOCES is currently providing innovative and highly efficient programs and services that improve student learning opportunities. One session (two presentations) will be held from mid to late morning, with two sessions (four presentations) being offered in the afternoon.

With recent NYSSBA conventions being held in New York City, some convention attendees expressed the concern that programs specifically aimed at rural districts were hard to come by. Now that the convention has moved to a venue that offers more program space, NYSSBA is able to partner with RSA to provide highly relevant and timely information on the “best practices” of New York’s rural school districts. According to RSA Executive Director Dave Little, RSA’s participation is intended to bring high quality information to rural schools, in a very accessible format. “The NYSSBA convention brings school leaders together from all over the state. We’re very pleased to be able to provide such important, rural school-specific information to folks who will be at the convention looking for ways to improve opportunities for their rural students.”

**In addition to the Thursday summit, your Rural Schools Association will host a breakfast on Friday morning of the NYSSBA convention. To register for the breakfast, simply add it to your “cart” of activities when you register for the convention. Registering soon is recommended. Make sure you have a seat for RSA Executive Director and education advocate Dave Little’s presentation on how 2017 must be the year to address school funding-and how we can make it happen!**

School superintendents should also look for RSA at the NYSCOSS fall conference where Dr. John Sipple and Dave Little will present the most up to date information on the state of rural education in New York State.

## **Homeownership Possible for Rural Educators**

One of the 2016 Summer Conference’s highlights was a dinner presentation by the United States Department of Agriculture’s Rural Housing Service Administrator, Tony Hernandez and Acting New York State Director Scott Collins. Following the conference, USDA Rural Development wrote to express its appreciation for the opportunity to meet with RSA members and participate in the conference. According to Director Hernandez, “Rural Housing is eager to partner USDA programs and assistance that can benefit small, rural school districts of New York State and the educators that serve these schools.”

One of the challenges facing young educators in our rural communities is that of buying that first home. That challenge alone makes it more difficult for rural schools to recruit young teachers. Program Director Jennifer Jackson of Syracuse said “As the Single Family Housing Program Director for Rural Development in New York, I am eager to discuss ways to encourage homeownership in rural communities and provide affordable mortgage lending options for rural educators. “ The fact sheets that follow provide information on this important program.





## Rural Home Loans (Direct Program)

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### What does this program do?

Also known as the Section 502 Direct Loan Program, 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.

### Who may apply for this program?

A number of factors are considered when determining an applicant's eligibility for Single Family Direct Home Loans. At a minimum, applicants interested in obtaining a direct loan must have an adjusted income that is at or below the applicable **low-income limit** for the area where they wish to buy a house and they must demonstrate a willingness and ability to repay debt.

#### Applicants must:

- Be without decent, safe and sanitary housing
- Be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to meet
- Agree to occupy the property as your primary residence
- Have the legal capacity to incur a loan obligation
- Meet citizenship or eligible noncitizen requirements
- Not be suspended or debarred from participation in federal programs

#### Properties financed with direct loan funds must:

- Be modest in size for the area
- Not have market value in excess of the applicable area loan limit
- Not have in-ground swimming pools
- Not be designed for income producing activities

Borrowers are required to repay all or a portion of the payment subsidy received over the life of the loan when the title to the property transfers or the borrower is no longer living in the dwelling.

Applicants must meet **income eligibility** for a direct loan. Please contact your **local RD office** to ask for additional details about eligibility requirements.

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Visit the **USDA Income and Property eligibility** website for complete details.

### How may funds be used?

Loan funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

### How much may I borrow?

The maximum loan amount an applicant may qualify for will depend on the applicant's repayment ability. The applicant's ability to repay a loan considers various factors such as income, debts, assets and the amount of payment assistance applicants may be eligible to receive. Regardless of repayment ability, applicants may never borrow more than the **area's loan limit** (plus certain costs allowed to be financed) for the county in which the property is located.

## Rural Home Loans (Direct Program)

### What is the interest rate and payback period?

- Fixed interest rate based on current market rates at loan approval or loan closing, whichever is lower.
- Interest rate when modified by payment assistance can be as low as 1%.
- Up to 33 year payback period - 38 year payback period for very low income applicants who can't afford the 33 year loan term.

### How much down payment is required?

No down payment is typically required. Applicants with assets higher than the asset limits may be required to use a portion of those assets.

### Is there a deadline to apply?

Applications for this program are accepted through your **local RD office** year round.

### How long does an application take?

Processing times vary depending on funding availability and program demand in the area in which an applicant is interested in buying and completeness of the application package.

### What law governs this program?

- The Housing Act of 1949 as amended, **7 CFR, Part 3550**
- **HB-1-3550** - Direct Single Family Housing Loans Field Office Handbook

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact **your local office** for assistance. You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov). *USDA is an equal opportunity provider, employer, and lender.*

# Single Family Housing Repair Loans & Grants

## What does this program do?

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve, or modernize their homes or provides grants to elderly very-low-income homeowners to remove health and safety hazards.

## Who may apply for this program?

To qualify, you must:

- Be the homeowner and occupy the house
- Have a family income below 50 percent of the area median income
- Be unable to obtain affordable credit elsewhere
- For grants, be age 62 or older and not be able to repay a repair loan

### What is an eligible area?

Generally, rural areas with a population less than 35,000 are eligible. Applicants may **check the address** of their home to determine eligibility online.

### How may funds be used?

- Loans may be used to repair, improve, or modernize homes or to remove health and safety hazards.
- Grants must be used to remove health and safety hazards.

### How much money can I get?

- Maximum loan is \$20,000.
- Maximum grant is \$7,500.
- Loans and grants can be combined for up to \$27,500 in assistance.

### What are the terms of the loan or grant?

- Loans can be repaid over 20 years
- Loan interest rate is fixed at 1%.
- Full title service is required for loans of \$7,500 or more
- Grants have a lifetime limit of \$7,500.
- Grants must be repaid if the property is sold in less than 3 years
- If applicants can repay part, but not all of the costs, applicants may be offered a loan and grant combination

### Is there a deadline to apply?

Applications are available year round as long as funding is available, and are processed in the order they are received.

### How long does an application take?

Approval times depend on funding availability in your area. Talk to a **USDA home loan specialist** in your area for help with the application.

### How do I get started?

Contact a **USDA home loan specialist** in your area.

### What law governs this program?

- The Housing Act of 1949 as amended, **7 CFR, Part 3550**
- **HB-1-3550** - Direct Single Family Housing Loans and Grants Field Office Handbook

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact **your local office** for assistance. You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov). *USDA is an equal opportunity provider, employer, and lender.*



# Single Family Home Loan Guarantees

## What does this program do?

This program assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas. Eligible applicants may build, rehabilitate, improve or relocate a dwelling in an eligible rural area. The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.

## Who may apply for this program?

Applicants must:

- Meet income-eligibility.
- Agree to personally occupy the dwelling as their primary residence.
- Be a U.S. Citizen, U.S. non-citizen national or Qualified Alien.
- Have the legal capacity to incur the loan obligation.
- Have not been suspended or debarred from participation in federal programs.
- Demonstrate the willingness to meet credit obligations in a timely manner.
- Purchase a property that meets all program criteria.

## What is an eligible area?

Check eligible addresses for the loan guarantees.

## How may funds be used?

Funds backed by loan guarantees be used for:

- New or existing residential property to be used as a permanent residence. Closing cost and reasonable/customary expenses associated with the purchase may be included in the transaction.
- A site with a new or existing dwelling.
- Repairs and rehabilitation when associated with the purchase of an existing dwelling.
- Refinancing of eligible loans.
- Special design features or permanently installed equipment to accommodate a household member who has a physical disability.
- Reasonable and customary connection fees, assessments or the pro rata installment cost for utilities such as water, sewer, electricity and gas for which the buyer is liable.
- A pro rata share of real estate taxes that is due and payable on the property at the time of loan closing. Funds can be allowed for the establishment of escrow accounts for real estate taxes and/or hazard and flood insurance premiums.
- Essential household equipment such as wall-to-wall carpeting, ovens, ranges, refrigerators, washers, dryers, heating and cooling equipment as long as the equipment is conveyed with the dwelling.
- Purchasing and installing measures to promote energy efficiency (e.g. insulation, double-paned glass and solar panels.)
- Installing fixed broadband service to the household as long as the equipment is conveyed with the dwelling.
- Site preparation costs, including grading, foundation plantings, seeding or sod installation, trees, walks, fences and driveways.

## How do we get started?

Applicants must contact an approved lender. Information about approved lenders may also be obtained by contacting a Guaranteed Loan Coordinator in your state for more information.



# Single Family Home Loan Guarantees

## Who can answer questions?

Applicants with questions should contact an approved lender. Lenders with questions can contact a Guaranteed Loan Specialist in your state.

## What governs this program?

7 CFR, Part 3555

## Why does USDA Rural Development do this?

This program helps lenders work with low and moderate income families living in rural areas to make homeownership a reality. Providing affordable homeownership opportunities promotes prosperity, which in turn creates thriving communities and improves the quality of life in rural areas.

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact **your local office** for assistance. You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov). *USDA is an equal opportunity provider, employer, and lender.*

**The Otesaga-  
home of the  
2017 Rural Schools Association Summer Conference**



Photo by: **Lynne Little**, taken from kayak

Rural Schools Association Annual 2017 Conference  
July 9-11, 2017  
Check website [www.RSANYs.org](http://www.RSANYs.org) in May 2017 for details.