

Federal Funding for Rural Healthy Housing: Applicant Guide

Administered by the Department of Agriculture (USDA), the Environmental Protection Agency (EPA), and the Department of Housing and Urban Development (HUD), the 12 programs below provide support specifically to rural communities and households to improve housing and address health hazards. The services provided by these programs help repair homes, increase energy efficiency, ensure safe drinking water, and provide affordable housing. These programs provide evidence-based and cost-effective solutions to environmental health and safety hazards that affect **residents living in 11.5 million rural homes**. For more information on the scope, annual funding amount, and impact of each program, see our [companion fact sheet](#).

Some of these programs provide funding directly to residents (in the form of a grant or a low-interest loan) and others provide funding to organizations (including both nonprofits and governmental entities). This guide provides a snapshot of each program including the application process, applicant eligibility, and funding process. **It is meant to help you consider which programs you or your organization or community may be eligible for to fix health hazards in homes** but does not necessarily include exhaustive terms or requirements for each program.

This list was compiled of programs that include funds specifically for rural areas. There are other federal programs that rural residents may be eligible for, or that may have funding available in rural communities, including the [Weatherization Assistance Program](#), the [Low Income Home Energy Assistance Program \(LIHEAP\)](#), programs funded by the [Office of Lead Hazard Control and Healthy Homes](#), and assistance provided through the [Federal Emergency Management Agency \(FEMA\)](#) after disasters.

The definition of rural areas and rural housing in America **varies widely** across federal programs. Metrics used to define rural versus urban areas include population, density (of either people or housing units), inclusion in metropolitan statistical areas (MSAs), adjacency to other cities and towns, mortgage credit availability, and more. The programs described below use different measures to determine eligibility and allocate funding to rural areas, communities, organizations, and individuals, so any one person or community may be eligible for some but not all of these programs.

	Primary Focus	Provides Funding To:		Application Process	Application Timing	Applicant Eligibility	Funding Process/Terms
		Individuals	Organizations or Communities				
Note on location: For all USDA programs: Use this eligibility portal to check if you are located in an eligible area. Click on "property eligibility" under each program.							
502 Direct Loan Program Rural Housing Service, USDA	Provides loans to low- and very-low-income households to buy, repair, renovate, relocate, or build a home.	X		Apply through an area Rural Development office .	Applications are accepted year-round.	Must be below income limits (low or very low income) for your area. Must be within an eligible area. Conduct a self-assessment to check eligibility.	Applicants will receive a loan with a 33- to 38-year payback period and a fixed income rate.
502 Guaranteed Loan Program Rural Housing Service, USDA	Helps moderate-income households get loans to buy, repair, renovate, relocate, or build a home.	X		Apply through an approved lender .	Applications are accepted year-round.	Must be below income limits (moderate income) for your area. Must be within an eligible area.	Applicants will receive a loan through an approved lender. USDA guarantees the loan.

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<p>504 Home Repair Program Rural Housing Service, USDA</p>	Provides loans and grants to help very-low-income households repair their homes.	X		Apply through an area Rural Development office .	Applications are accepted year-round.	Must be below income limits (very low income). Must be within an eligible area. Homeowners over age 62 may qualify for a grant. Other eligible applicants will receive a loan.	The maximum loan amount available is \$40,000. Loans are 20 years with a fixed interest rate of 1%. The maximum grant amount available is \$10,000. Grants must be repaid if the property is sold in less than three years.
<p>Singe Family Housing Rural Disaster Home Repair Grants Rural Housing Service, USDA</p>	Provides grants to help low-income households repair damage to homes from presidentially declared disasters in 2022.	X		Apply through a USDA home loan specialist in your state .	Applications are accepted until funds run out.	Must be below income limits (low income) for your area. Must be within an eligible area. The home must have been damaged in a presidentially declared disaster during 2022.	The maximum grant amount available is \$40,675. The grant can’t duplicate other benefits (for example, you are ineligible if you received or qualify funds from FEMA to fix the issue).
<p>Housing Preservation Grants Rural Housing Service, USDA</p>	Provides grants to organizations to repair or rehabilitate rural housing.		X	Organizations can apply annually through a Notice of Solicitation of Applications.	Applications are open annually and are typically due between May and July. Read the most recent funding opportunity here .	Nonprofits, tribes, and state and local governments are eligible to apply. The area(s) served must be rural areas or towns with fewer than 20,000 people, or tribal lands. View this list of eligible repair activities.	Grantees provide grants or low-interest loans. Both homeowners and rental property owners are eligible. Rental property owners must make the units available to low- and very-low-income families.
<p>Off-Farm Labor Housing Grants Rural Housing Service, USDA</p>	Provides loans and grants to build, purchase, and repair or improve housing for domestic farm laborers.		X	Organizations can apply during an annual application period through a Notice of Funding Availability. There is a two-phase application process.	Applications are open annually.	Farmers, associations of farmworkers, nonprofits, state and local governments, and tribes are eligible to apply. There is no geographic requirement as long as the housing serves domestic farm laborers with very low to moderate incomes.	Loans are available for terms of up to 33 years at 1% interest. Grants may not exceed 90% of the project cost. Grant availability is based on need.

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For additional information and resources related to healthy housing in rural communities, visit ...

<https://nchh.org/information-and-evidence/learn-about-healthy-housing/in-rural-communities/>

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<p>Rural Energy Savings Program Rural Utilities Service, USDA</p>	<p>Provides subsidized loans to utilities and other entities to offer zero- and low-interest loans to rural customers for energy efficiency measures.</p>		X	<p>Organizations can submit a letter of intent to USDA.</p>	<p>Funding is available on a first-come, first-served basis annually until funds run out.</p>	<p>Current and former Rural Utilities Service borrowers and (and subsidiaries of the same), and entities that provide retail electric service needs in rural areas.</p>	<p>Loans are available for terms of up to 20 years at a 0% rate.</p>
<p>Water and Waste Disposal Program Water and Environmental Programs, USDA</p>	<p>Provides a variety of loans and grants to communities, organizations, and individuals to improve water and waste disposal systems. Specific funds available for tribal communities, Native Alaskan villages, and colonias.</p>	X	X	<p>Individuals and organizations can apply through their area Rural Development office.</p>	<p>Applications are open year-round.</p>	<p>Generally, state and local governments, tribes, and nonprofits are eligible, and the projects must serve areas with populations of 10,000 or fewer. In the program for individual homeowners, applicants must live in colonias in Arizona, California, New Mexico, or Texas.</p>	<p>Loans to organizations have up to a 40-year term with a fixed interest rate. Some of the grant funds provided to organizations may come with match requirements. Individual homeowners can receive up to \$3,500 for water work, \$4,000 for sewer work, and a lifetime maximum of \$5,000.</p>
<p>Rural Decentralized Water Systems Grant Program Water and Environmental Programs, USDA</p>	<p>Helps establish revolving loan funds to provide funds to homeowners for individual wells and septic systems.</p>		X	<p>Nonprofits can apply for these grants annually.</p>	<p>Applications are open annually and are typically due between May and July.</p>	<p>Nonprofits can apply for these funds. Eligible service areas are rural areas with fewer than 50,000 people, tribal lands in rural areas, and colonias.</p>	<p>Nonprofits must provide a 10% match. The revolving loan programs established through this program must distribute loans with a 20-year term, 1% interest, and a maximum cap of \$15,000.</p>
<p>WIIN Small, Underserved, and Disadvantaged Communities Grant Program EPA</p>	<p>Provides noncompetitive grants to improve drinking water systems and address drinking water contaminants in small, underserved, and disadvantaged communities.</p>		X	<p>Grants are awarded in a noncompetitive process using a formula, but eligible applicants still have to apply through EPA.</p>	<p>Grants are available annually. FY22 and FY23 formula allocations are available here. States should communicate with their EPA regional office for information on the application process.</p>	<p>States, territories, DC, and tribes are eligible to apply. Small, disadvantaged, and underserved communities are defined as those that do not have household drinking water or wastewater services, where the public water system has exceeded a maximum contaminant level or action level, or with a population of under 10,000 people and no capacity to fund this work.</p>	<p>Funding is provided through grants. The grants usually require a 10% match, which EPA is waiving for FY21, FY22, and FY23.</p>

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Older Adult Home Modification Program Office of Lead Hazard Control and Healthy Homes, HUD	Provides grants to organizations to fund programs that provide home modifications and repairs that increase safety and accessibility in the home for older adults.		X	Grants are awarded annually through a Notice of Funding Opportunity (NOFO).	Applications are open annually. The previous NOFO is available here .	State and local governments and nonprofits are eligible for this grant. Grant funds must serve low-income homeowners over age 62.	In the most recent NOFO, awards of \$500,000-\$1,250,000 were available. At least a third of funds is available specifically for rural communities.
CDBG State (Non-Entitlement) Program HUD	Provides formula grants to states to administer grants to smaller units of local government for a variety of activities, including preserving affordable housing. Arizona, California, New Mexico, and Texas are required to set aside a portion of this funding specifically for colonias .		X	Grants are awarded annually on a formula basis.	Forty-nine (49) states and Puerto Rico participate in the program. HUD administers the program for localities in Hawaii.	States administer grant funds to non-entitlement areas, which means cities under 50,000 people (unless the city is designated the principal city of a metropolitan statistical area) and counties under 200,000 people.	Search past state allocations and reports here . Eligible activities include repairing housing and improving public systems and infrastructure.



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