



NEWS RELEASE

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For Immediate Release

Carbondale Now Eligible for Housing Programs

Carbondale, Ill., Jan. 11, 2005— City and federal officials announced a legislative change that makes Carbondale residents eligible for low-cost home financing from USDA Rural Development.

Legislation to reclassify Carbondale as a rural community for the purpose of the Rural Development housing program was introduced by Congressman Jerry Costello and passed by Congress. President Bush signed the bill in December.

Mayor Brad Cole and City Manager Jeff Doherty asked Congressman Costello to pursue the change. The city's student population makes Carbondale too large to qualify for Rural Development housing programs.

The designation will make Carbondale more competitive in the housing market with surrounding areas. Carbondale had been the only community in southern Illinois outside of the Metro East area that was not eligible for the program.

"This is a fantastic opportunity for the people of Carbondale and neighboring communities to access financing options not available elsewhere," said Doug Wilson, Rural Development state director. "We can provide financing for new and existing home purchases, home repairs, affordable rental complexes, and special assistance for senior citizens to repair their homes," he added.

The best opportunity for most area residents is likely to be the guaranteed loan program. Homebuyers work with local lenders to get home loans guaranteed by Rural Development. The loans can be made for up to 100 percent of the value of a house with no down payment, a 30 year fixed rate and no maximum purchase price. Because the government backs the loan, homebuyers don't have to pay any mortgage insurance, saving them about \$100 a month.

According to Wilson, this is the agency's largest program. "Since we started offering the program in 1992, we have provided \$1 billion in home loan guarantees in rural Illinois. Last year alone we help nearly 2,200 individuals and families get homes with this program," he said.

Gary Hill, president of Cherry Hills Realty, and Shelly Rich with SIU Credit Union have worked with the Rural Development program in other southern Illinois communities and spoke about the economic benefits a community can realize when more people own their own homes.

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"USDA is an equal opportunity provider, employer and lender."
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The guaranteed home loan is only one of the 10 Rural Development programs now available to individuals, non-profits and public bodies in Carbondale and surrounding townships. Besides providing loan guarantees for homes and apartment complexes, the agency provides direct loans for homes and rental assistance for tenants in Rural Development financed multi-family complexes.

“People who don’t think they can afford to buy a house are surprised when they talk to us. We can work with people to help them purchase the home they always wanted,” Wilson said. Financing is available to people with moderate to very-low income.

Rural Development is an equal opportunity lender. Besides housing, they provide rural credit programs for community facilities, water and sewer development, and businesses. More information is available on these programs by calling 618-993-5396, ext. 4.