

About Title I Home Improvement Loans

HUD insures private lenders against loss on property improvement loans they make. The applicant must have a good credit history and the ability to repay the loan in regular monthly payments. Both large and small improvements can be financed. Search HUD's list to find an approved **Title I lender** in your state. HUD does not lend money for property improvements.

Loans on single family homes may be used for alterations, repairs and for site improvements. Loans on multifamily structures may be used only for building alteration and repairs. Title I can be used in connection with a 203k Rehabilitation Mortgage. For additional information on that program, call (800) 767-7468 and request item number 2571.

A property owner may apply at any lender (bank, mortgage company, savings and loan association, credit union) that is approved to make Title I loans. Beware of deceptive home improvement contractors.

Who To Contact: HUD's Homeownership Centers do not process Title I loans. For more information, please call (800) 767-7468 and request item number 2651, "Fixing Up your Home and How to Finance It."

Maximum Loan Amount:

- Single family house - \$25,000.
- Manufactured house on permanent foundation - \$25,090. (classified and taxed as real estate)
- Manufactured house (classified as personal property) - \$7,500.
- Multifamily structure - an average of \$12,000 per living unit, up to a total of \$60,000.

Maximum Loan Term:

- Single family house - 20 years.
- Manufactured house on permanent foundation - 15 years.
- Manufactured house (classified as personal property) - 12 years.
- Multifamily structure - 20 years.

Interest Rate: The interest rate is a fixed rate that is generally based on the most common market rate in the area. It is negotiable between the lender and the borrower, and may vary between lenders.

Loan Security: Any loan over \$7,500 must be secured by a mortgage or deed of trust on the property.

Loan Prepayment: There is no prepayment penalty.

Minimum Age of New Residential Structures: Structure must have been completed and occupied for 90 days.