

HOUSING RESOURCES COMMITTEE

Room 1204, City Hall

October 24, 1967

Memorandum To: Mr. Cecil A. Alexander, Chairman
Housing Resources Committee

Pursuant to your request, I visited today the office of Farmers Home Administration, Department of Agriculture, Room 256 Peachtree-Seventh Building and talked with Mr. S. L. VanLandingham, State Director and Mr. David D. Slappy, Chief, Real Estate Loans. The Farmers Home Administration has no regional organization.

I learned that their program operates only in non-urban oriented rural areas. They do have a 40 unit rental development, "County Line Community", under way in DeKalb County near the Henry County line, in a rural oriented area. The project is being developed by Lincoln Jones. Units in this or other rural areas cannot be rented to urbanites.

The program has a phenomenal record of success. The Atlanta office has lost less than \$100 and has had only one foreclosure.

An Atlanta family may be able to build a home in a rural area under this program, which is limited to only low and moderate income families, which cannot qualify for conventional loans through local lending institutions.

There is no statutory limitation on size or cost of the homes to be built. However from a practical standpoint such homes do not usually exceed about 1400 square feet of living space and maximum mortgages are about \$14,000. Homes are generally within the \$10,000-\$12,000 range. There is no design criteria specified. Interest is 5% straight; 33 year mortgage, which may be as high as 100% of appraised fair value. Loans are insured by the Farmers Home Administration. There is no down payment required. However purchaser must pay for title certificate and recording fees. Mortgage limitations are based on family income, with maximum income considered \$7,000. Payments are on an annual basis, although mortgagors with incomes of less than about \$5,000 per year are required to make monthly payments.

The Farmers Home Administration is willing to accept applications from Atlanta residents who qualify and wish to build a low-cost home in a rural area.

Mr. Cecil A. Alexander
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Malcolm D. Jones
Supervisor of Inspection Services

MDJ/slc

Encl: Pamphlet PA-476, Rural Housing Loans, U. S. Department of Agriculture,
Farmers Home Administration.

cc: Mr. Dan E. Sweat
Mayor Allen