

Connecting Constituents to Federal Programs That Fund Home Repairs or Modifications

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Connecting Constituents to Federal Programs That Fund Home Repairs or Modifications

This report provides information and resources to assist congressional offices with responding to constituent questions about potential federal funding for home repairs, modifications, rehabilitation, or improvements. It provides a brief overview of federal grant, loan, tax benefit, and rebate programs that homeowners may be able to access to repair, rehabilitate, improve, or modify their homes, and provides links to program websites for additional information. Some of the included programs can be used for home repair purposes broadly, while others are targeted to specific types of repairs or improvements (e.g., lead paint abatement, weatherization) or populations (e.g., veterans, rural homeowners). Additionally, while some programs provide assistance directly to individuals, many provide funding to states, local governments, or nonprofit organizations to administer, meaning available programs and their features can vary by area. The report also provides information on certain resources that constituents may find helpful in locating home repair programs in their area.

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Introduction

This report provides information and resources to aid congressional offices in responding to constituent requests related to home repairs, modifications, rehabilitation, or improvements (collectively referred to in this report as “home repair”). It includes information on federal funding for general home repairs as well as specialized types of home improvements, such as weatherization activities, lead hazard remediation, or home modifications to accommodate older adults or veterans with disabilities.

A number of federal programs can potentially be used for home repair. These programs differ in a number of ways, including the federal department that administers them, the type of assistance provided (e.g., loans, grants), how funds are distributed (e.g., directly to property owners, through states, local governments, nonprofit organizations), and eligibility criteria (e.g., income limits). In addition, some programs are limited to specific populations (e.g., veterans, older Americans), purposes (e.g., lead paint abatement, weatherization), or geographies (e.g., rural areas).

Many home repair programs—including those that use federal funds—are administered by state or local governmental agencies or nonprofits. In these cases, the specific features of available home repair programs, such as some eligibility criteria and the types of home repairs that are eligible, can vary by area.

The following sections discuss federal programs that homeowners may be able to access for assistance with home repair, focusing on resources that can be used for owner-occupied housing.¹ For each program, basic information is provided about the program’s purpose, eligibility criteria,² and funding distribution method, along with information on how homeowners can apply for assistance and links to program websites for additional information.³ The final section of the report provides information on additional resources that may be helpful in connecting homeowners with home repair assistance options.

A Note on Disaster Response and Hazard Mitigation

This report does not include programs that provide funding specifically for home repair or rehabilitation activities for homes damaged by presidentially declared disasters, such as programs administered by the Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA). Similarly, the report does not discuss the U.S. Department of Housing and Urban Development’s (HUD’s) Community Development Block Grants for Disaster Response (CDBG-DR), which provide funding to assist with communities’ long-term recovery efforts after some presidentially declared disasters.

- For more information on FEMA and SBA programs that can be used to repair homes damaged by disasters, see CRS Report R45238, *FEMA and SBA Disaster Assistance for Individuals and Households: Application Processes, Determinations, and Appeals*; FEMA’s website at <https://www.fema.gov/assistance/individual/program>; and SBA’s website at <https://www.sba.gov/funding-programs/disaster-assistance>.
- For more information on CDBG-DR, see CRS Report R46475, *The Community Development Block Grant’s Disaster Recovery (CDBG-DR) Component: Background and Issues* and HUD’s website at <https://www.hud.gov/hud-partners/community-cdbg-dr>.

¹ This report is intended to include the federal programs most commonly used for home repair activities; however, it does not include every program that could potentially be used for such purposes. While the report is focused on resources that homeowners can access for repairs to owner-occupied housing, in some cases where programs can also be used by rental property owners, information on rental property eligibility criteria is included.

² While this report describes certain key eligibility criteria for each program, it does not cover all eligibility criteria that apply. Interested homeowners can consult program guidance and with program administrators for more information on eligibility.

³ Not all programs discussed in this report are necessarily currently advertising for or making new awards. Those interested in more information about a listed program or its status should contact the administering agency.

This report also does not include programs specifically for hazard mitigation activities that communities can use to make housing more resilient to disasters. These projects are funded through the community, but can be used for mitigation for individual homes. For more information on FEMA hazard mitigation programs, see CRS Insight IN11187, *Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance* or FEMA's website at <https://www.fema.gov/grants/mitigation>.

Although this report does not discuss programs that are specifically intended for disaster response or hazard mitigation, some of the broader programs discussed in it could potentially be used by homeowners to address disaster-caused damage or for mitigation activities.

General Home Repair

Some programs can potentially provide assistance with a broad range of eligible home repair activities. These programs may be subject to maximum allowable incomes⁴ or other federal eligibility criteria, but are not otherwise limited to specific populations (such as veterans or older homeowners) or specific types of home repairs (such as lead paint remediation). In the case of some flexible federal block grant programs, however, the state or local grantees that receive the funds can decide whether or how any funds are used for home repair activities. To the extent these grantees choose to use funds for home repair activities, they may require that the funds be used for certain types of repairs or certain populations.

FHA Loan Programs

The U.S. Department of Housing and Urban Development's (HUD's) Federal Housing Administration (FHA) insures eligible mortgages that are made by private lenders. Some FHA-insured mortgages can be used for home repair.

FHA Section 203(k) Rehabilitation Mortgage Insurance Program

Administering Agency: FHA

Purpose: Through this program, FHA insures eligible mortgages made by private lenders for the purposes of purchasing and rehabilitating, or refinancing and rehabilitating, a single-family home. It allows the costs of purchasing (or refinancing) and rehabilitating the property to be financed through a single loan. Borrowers pay fees in exchange for the mortgage insurance. There is both a Standard 203(k) program and a Limited 203(k) program.

Under the Standard 203(k) program, borrowers can finance amounts for major repairs (including structural repairs), subject to overall FHA loan limits.⁵ Eligible uses of funds include, but are not limited to, structural alterations; converting one-unit structures to multi-unit structures or constructing an attached accessory dwelling unit; repairing or replacing plumbing, heating, air conditioning, or electrical systems; installing or repairing septic systems; roofing; and creating accessibility for people with disabilities.

⁴ Many of the programs discussed throughout this report include income limits where the household's income cannot exceed a specified percentage of area median income. The U.S. Department of Housing and Urban Development (HUD) publishes the dollar amounts of different income limits by geographic area on its website at <https://www.huduser.gov/portal/datasets/il.html>.

⁵ Examples of eligible repairs that can be financed using Standard 203(k) funds are listed in Section II.A.8.a.vi.(A) of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook*, available at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg. Examples of ineligible activities, which include activities related to luxury items, improvements that do not become a permanent part of the property, and improvements that solely benefit commercial functions, are listed in Section II.A.8.a.vi.(B).

Under the Limited 203(k) program, borrowers can finance a more limited amount—up to \$75,000 in rehabilitation costs—for relatively minor, nonstructural repairs.⁶ Some eligible uses of funds are the same as those under the Standard 203(k) program, including addressing plumbing, heating, air conditioning, or electrical systems; septic systems; roofing; and accessibility, among other things; however, major rehabilitation or remodeling and structural alterations are not permitted.

Eligibility: Borrowers and properties must meet FHA underwriting and other requirements. There are no income limits, but the combined mortgage amount for the purchase/refinance and rehabilitation costs cannot exceed FHA's maximum mortgage amount, which varies by area.⁷ The Standard 203(k) program requires the use of an FHA-approved 203(k) consultant, who acts as an intermediary between the borrower, contractor, and lender; the consultant performs functions such as inspections, work writeups, and cost estimates, and ensures that work is completed in accordance with FHA requirements.⁸

How to Apply: Individuals can apply through an FHA-approved lender that makes Section 203(k) loans.⁹

Website: <https://www.hud.gov/hud-partners/single-family-mortgage-programs-203k>

FHA Title I Property Improvement Loans

Administering Agency: FHA

Purpose: Through this program, FHA insures eligible loans made by private lenders for the purposes of improving a property. (Unlike Section 203(k) loans, Title I loans are solely for the eligible home repair costs and do not involve simultaneously purchasing or refinancing a property.) Eligible repairs and improvements include structural changes, central air conditioning, heating, plumbing, septic tank replacement, and other improvements.¹⁰

Eligibility: Borrowers and properties must meet FHA underwriting and other requirements. Loans over \$7,500 must be secured by a lien on the property. There are no income limits, but the loan must not exceed the Title I maximum loan amount for the type of property involved (\$25,000 for a secured loan on a one-unit residential property as of the cover date of this report).¹¹ FHA requires an annual fee for Title I loans that is charged to the lender but may be passed on to the borrower.

⁶ Examples of eligible repairs that can be financed using Limited 203(k) funds are listed in Section II.A.8.a.vii.(A) of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook*, available at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg. Ineligible activities are described in Section II.A.8.a.vii.(B).

⁷ To find FHA maximum mortgage amounts in a specific area, see HUD's website at <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

⁸ Information on the role of 203(k) consultants is available in a HUD fact sheet at https://www.hud.gov/sites/dfiles/SFH/documents/MO_203k_CnsltRole_FS.pdf. A tool to search for 203(k) consultants is available on HUD's website at <https://entp.hud.gov/idapp/html/f17cnsltdata.cfm>.

⁹ To search for FHA-approved lenders, see HUD's website at https://www.hud.gov/program_offices/housing/sfh/lender/lenderlist. Under "Rehabilitation," there is an option to limit the search to FHA-approved lenders who have originated a 203(k) loan within the last year.

¹⁰ Eligible repairs and improvements under Title I are listed in Section II.E.2.c.ii.(E) of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook*, available at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg. Ineligible improvements are listed in Section II.E.3.c.iii.

¹¹ Loan limits for the Title I program are in Section II.E.2.b.i.(A) of HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook*, available at https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg. Different limits apply for other property types.

How to Apply: Individuals can apply through an FHA-approved lender that makes Title I loans.¹²

Website: <https://www.hud.gov/hud-partners/single-family-title>

HUD Block Grants

Two HUD block grants, the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME), provide formula funds to states and eligible local governments that can be used for a number of allowable purposes, including home repair. However, the extent to which any funds are used for home repair rather than other eligible activities is at the discretion of the state or local government that administers the funds. Not all states or local governments will necessarily use any of these block grant funds for home repair activities, and those that do can choose to structure their programs in different ways (within federal parameters, such as income restrictions). Therefore, while these programs can be used for home repairs in general, in practice, states or localities may only allow certain targeted types of home repairs or may limit eligibility to certain populations.

Community Development Block Grant (CDBG)

Administering Agency: HUD

Purpose: CDBG is a block grant program that provides annual formula grants to states and eligible local governments. Funds can be used for a range of affordable housing, economic development, and infrastructure activities that primarily benefit low- and moderate-income individuals. Home repair is an eligible use of CDBG funds, at the discretion of the recipient state and local governments. Some examples of eligible home repair activities include, but are not limited to, roof repair, accessibility modifications, plumbing repairs, and energy efficiency upgrades.

Eligibility: CDBG activities must meet one of three national objectives: principally benefiting low- and moderate-income persons (meaning that at least 51% of beneficiaries are low- or moderate-income), preventing or eliminating slums or blight, or addressing an urgent need posing a threat to the community's health or welfare. Regardless of the objective, at least 70% of a jurisdiction's CDBG funding must primarily benefit low- and moderate-income households over a one-, two-, or three-year period. For the purposes of CDBG, "low and moderate income" is defined as household income at or below 80% of area median income.

How to Apply: CDBG funds are awarded directly to states and eligible local governments, not to individuals. If a state or local government uses CDBG funds for homeowner rehabilitation activities, individual homeowners would apply through the grantee or a subgrantee that administers the CDBG funds for that purpose. Individuals can contact local CDBG grantees to learn more about any available programs in their area.¹³

Website: <https://www.hudexchange.info/programs/cdbg/>

¹² To search for FHA-approved lenders, see HUD's website at https://www.hud.gov/program_offices/housing/sfh/lender/lenderlist. Under "Insurance Type," there is an option to limit the search to FHA-approved lenders who originate Title I property improvement loans.

¹³ For local CDBG grantee contact information, see <https://www.hudexchange.info/grantees/contacts/>. (On the left sidebar, select the state, then check the box for CDBG.)

HOME Investment Partnerships Program

Administering Agency: HUD

Purpose: HOME is a block grant program that provides annual formula grants to states and eligible local governments that can be used for a range of affordable housing activities that benefit low-income households. Home repair is one eligible use of HOME program funding, at the discretion of the recipient states and local governments. Grantees may provide funds to individuals in various forms, such as grants or loans.

Eligibility: Home repair activities funded through HOME must benefit low-income households (households with incomes at or below 80% of area median income) who occupy the home as their primary residence. The home value cannot exceed a maximum amount after rehabilitation. A minimum of \$1,000 in HOME funds must be invested per housing unit assisted, and there is also a maximum per-unit amount of HOME funds that can be provided, which varies by area. Housing rehabilitated with HOME funds must meet all applicable state and local codes after rehabilitation. This requirement, as well as the minimum amount of HOME funds that must be invested per unit, may limit jurisdictions' use of HOME funds for more minor or specialized types of home repairs.

How to Apply: HOME funds are awarded directly to states and eligible local governments, not to individuals. If a state or local government uses HOME funds for home repair activities, individual homeowners would apply through the grantee or a subgrantee that administers the HOME funds for that purpose. Individuals can contact local HOME grantees to learn more about any available programs in their area.¹⁴

Website: <https://www.hudexchange.info/programs/home/>

Programs Supporting Specific Types of Home Repair Activities

Some federal programs provide funding that can be used for specific types of home repair purposes, such as addressing lead hazards or making homes more energy efficient.

Lead and Other Home Health Hazards

Lead Hazard Grants

Administering Agency: HUD

Purpose: Lead Hazard grants are competitive grants awarded to states, local governments, or tribes to identify and control lead hazards in owner-occupied or rental housing. In some years, additional funding is available through the Healthy Homes Supplement for the repair of additional home health hazards in conjunction with lead hazard remediation activities funded with a Lead Hazard grant.

Eligibility: Grantees provide assistance to eligible homeowners or rental property owners. Homeowners must be "low-income," defined as having income no higher than 80% of area median income. In the case of rental housing, occupants must be low-income, and at least half of occupants must be "very low-income," defined as having income no higher than 50% of area

¹⁴ For local HOME grantee contact information, see <https://www.hudexchange.info/grantees/contacts/>. (On the left sidebar, select the state, then check the box for HOME.)

median income (in properties with five or more units, up to 20% of units can be occupied by higher-income residents). Assistance is targeted to the oldest homes (those built prior to 1940) that are occupied by children under six.

How to Apply: Eligible grantees apply in response to periodic Notices of Funding Opportunity (NOFOs) published by HUD.¹⁵ Homeowners or rental property owners apply through the state, local, or tribal grantees that are awarded funds. A list of grantees is available on HUD's website at https://www.hud.gov/sites/dfiles/HH/documents/OLHCHH_Website_ActiveGrantees_POC.pdf.

Website: <https://www.hudexchange.info/programs/lead-hazard-control-and-healthy-homes-programs/>

Healthy Homes Programs

In addition to the Lead Hazard grants and the Healthy Homes Supplement, Congress sometimes provides HUD with additional funding to address other health and safety hazards for low-income households (see, for example, the "Older Adults Home Modification Program (OAHMP) Grants" section). Availability of these resources varies from year to year based on annual appropriations. Individuals can check with their state or local government about any available funds.

Energy Efficiency and Residential Clean Energy

Some federal programs are available specifically for activities related to weatherization, enhanced energy efficiency, or residential clean energy generation. In addition to the targeted programs described in this section, some of the programs described elsewhere in this report can potentially be used for certain types of energy upgrades as well as other eligible home repairs. There may also be other federal programs not discussed here that can be used for energy efficiency purposes under certain circumstances; for example, under the Low Income Home Energy Assistance Program (LIHEAP), grantees may choose to set aside a limited amount of funds to use for weatherization activities.¹⁶ Some LIHEAP grantees may administer their LIHEAP weatherization funding together with Weatherization Assistance Program funds (described below).

Programs discussed in this section are also described in CRS In Focus IF12971, *Connecting Constituents with Federal Assistance for Energy Efficiency and Renewable Energy Projects: Resources for Individuals*.

Weatherization Assistance Program (WAP)

Administering Agency: U.S. Department of Energy (DOE)

Purpose: Through this program, DOE provides formula grants to states and tribes to use to assist low-income households in reducing their energy consumption by making their homes more energy efficient. Eligible uses include activities such as installing insulation, repairing or

¹⁵ In general, HUD's NOFOs are available on HUD's website at https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps.

¹⁶ For more information on LIHEAP, see <https://www.acf.hhs.gov/ocs/programs/liheap>. Contact information for state LIHEAP grantees is available at <https://www.acf.hhs.gov/ocs/map/liheap-map-state-and-territory-contact-listing>; contact information for tribal grantees is available at <https://www.acf.hhs.gov/ocs/map/liheap-map-tribal-contact-listing>.

replacing windows or doors, and repairing or replacing water heaters.¹⁷ States allocate the funds to local governments and weatherization agencies to administer.

Eligibility: Housing units are eligible if they are occupied by households with incomes no higher than 200% of the federal poverty level; have received certain cash assistance over the previous twelve months; or, at the state's discretion, are eligible for LIHEAP. Grantees must have procedures in place to prioritize weatherization assistance for some eligible households; namely, the elderly, people with disabilities, families with children, high residential energy users, and households with high energy burden. Rental units are eligible under certain circumstances, including that the owner has given written permission and at least a certain percentage of units are income-eligible units or will become eligible within 180 days.

How to Apply: Households apply through local weatherization agencies. A DOE website (<https://www.energy.gov/scep/wap/how-apply-weatherization-assistance>) provides contact information for state weatherization agencies, which in turn can provide information on local agencies serving a given area.

Website: <https://www.energy.gov/scep/wap/weatherization-assistance-program>

FHA Energy Efficient Mortgages (EEMs)

Administering Agency: FHA

Purpose: Through this program, borrowers can finance certain cost-effective energy efficient improvements as part of an FHA-insured mortgage to purchase or refinance a home.¹⁸

Eligibility: Borrowers and properties must meet FHA underwriting and other requirements. The dollar amount of an energy package that can be added to the loan amount cannot exceed certain limits, but the FHA maximum mortgage amounts can be exceeded by the amount of the financed energy package. Borrowers must obtain a home energy assessment conducted by a qualified professional to identify potential improvements and their cost-effectiveness. Like other FHA loans, borrowers pay fees in exchange for the insurance.

How to Apply: Individuals can apply through an FHA-approved lender that makes EEMs.¹⁹

Website: A fact sheet on FHA EEMs is available on the energystar.gov website at https://www.energystar.gov/ia/partners/bldrs_lenders_raters/EEM_Fact_Sheet.pdf.

Inflation Reduction Act Home Energy Rebates

Administering Agency: DOE

Purpose: The Inflation Reduction Act (IRA, P.L. 117-169) provided funding to be distributed by formula to states and tribes to use for two home energy rebate programs. The Home Owner Managing Energy Savings (HOMES) program provides rebates for certain energy efficiency upgrades that improve the overall performance of single-family homes or multifamily properties,

¹⁷ A January 2021 DOE fact sheet that provides information on typical weatherization measures is available at https://www.energy.gov/sites/prod/files/2021/01/f82/WAP-fact-sheet_2021_0.pdf.

¹⁸ In addition to EEMs, FHA also allows borrowers to finance certain weatherization improvements or the installation of certain solar or wind technologies as part of a home purchase or refinance mortgage insured by FHA. For more information, see HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook*, §§II.A.8.c, II.A.8.l, and II.A.8.m, https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgh.

¹⁹ To search for FHA-approved lenders, see HUD's website at https://www.hud.gov/program_offices/housing/sfh/lender/lenderlist.

while the High-Efficiency Electric Home Rebate (HEEHR) program provides rebates for certain qualified electrification projects. (The HEEHR program is also referred to as the Home Electrification and Appliances Rebate [HEAR] program.)

Eligibility: Rebates are available to homeowners and rental property owners that make qualifying upgrades. Single-family homes can qualify for HOMES rebates regardless of household income, but the maximum rebate amounts (which range from \$2,000 to \$8,000) are higher for households with incomes below 80% of area median income and for upgrades that produce higher energy savings. For multifamily properties, building owners are eligible for HOMES rebates up to a cap that varies based on energy savings and the number of units occupied by households with incomes below 80% of area median income. HEEHR rebates are available to households with incomes no higher than 150% of area median income; households with incomes below 80% of area median income can claim 100% of the cost of the upgrades, while those with incomes between 80% and 150% of area median income can claim up to 50% of their costs, subject to a cap. For multifamily properties, building owners are eligible for HEEHR rebates of 50% of costs if at least half of the units are occupied by households with incomes no higher than 150% of area median income, and rebates of 100% of the costs if at least half of the units are occupied by households with incomes below 80% of area median income.

How to Apply: Households can contact their state energy office for information on program status and how to apply.²⁰

Website: Information on these rebate programs is available on the energystar.gov website at https://www.energystar.gov/partner-resources/web_linking_policy/homes-program and <https://www.energystar.gov/partner-resources/state-and-tribal-rebate-programs/hear-program>.

Home Energy Tax Credits

Administering Agency: Internal Revenue Service (IRS)

Purpose: Taxpayers may claim two nonrefundable income tax credits for qualifying home energy improvements. The Energy Efficient Home Improvement Credit (EEHIC) can be claimed for a portion of the costs of energy efficient improvements to existing homes (not new construction), such as qualified heat pumps, water heaters, exterior doors, windows, and insulation, up to a maximum dollar amount. The Residential Clean Energy Credit (RCEC) can be claimed for a portion of the costs of new qualified clean energy equipment, such as solar electric panels, small wind turbines, or geothermal heat pumps. While the amount that can be claimed for the RCEC is limited to a portion of the costs of eligible improvements, there is generally not a maximum dollar amount that can be claimed for this credit.²¹

Eligibility: Taxpayers can claim these tax credits if they have qualifying expenses for eligible energy improvements.

For the EEHIC, both renters and homeowners may claim the credit for purchases of energy-efficient appliances installed at domestically located homes in which they reside; in the case of homeowners, the home may be used as a principal or secondary residence. Homeowners may also claim the credit for upgrades to the insulation, exterior doors, and exterior windows or

²⁰ A directory of state energy offices can be found on the National Association of State and Energy Officials (NASEO) State and Territory Energy Offices website at <https://www.naseo.org/members-states>.

²¹ Unlike the EEHIC, the RCEC generally does not have maximum dollar amounts that can be claimed, with the exception of limits for fuel cell property. For fuel cell property, the credit is limited to \$500 for each half kilowatt of capacity, or, if more than one person lives in the home, the combined credit for all residents is limited to \$1,667 for each half kilowatt of fuel cell capacity.

skylights of homes used as principal residences. Home energy audits of taxpayers' principal residences (whether owned or rented) are eligible for the credit.

For the RCEC, both renters and homeowners may claim the credit for domestically located homes in which they reside. Landlords who rent property to others are not eligible for either credit.

Both credits are nonrefundable; households with no tax liability cannot claim the credits, and the credit amounts cannot exceed the taxpayer's income tax liability for the given year. However, unused RCEC amounts may be carried forward to offset future years' income tax liabilities.

How to Apply: Taxpayers with qualifying expenses and documentation can claim the tax credits on their federal income tax returns. Taxpayers must file IRS Form 5695 to claim one or both credits.²²

Website: <https://www.irs.gov/credits-deductions/home-energy-tax-credits>

Programs Targeted to Specific Populations

Some federal programs that can be used for home repairs are targeted to specific populations or geographies. This section describes programs that are specifically targeted to veterans, rural areas, older adults, members of federally recognized tribes in tribal areas, and manufactured homes.

Veterans

The Department of Veterans Affairs (VA) administers a number of programs specifically for veterans that can be used for certain types of home repairs. In addition, a grant program administered by HUD in partnership with VA provides funds for organizations to carry out home repairs for low-income or disabled veterans.

Specially Adapted Housing (SAH) Program for Veterans with Service-Connected Disabilities

Administering Agency: VA

Purpose: Through this program, VA provides grants for veterans and servicemembers with certain qualifying service-connected disabilities to modify their homes or to build or purchase a home with needed modifications. Examples of modifications include installation of wheel chair ramps, the widening of doorways, and the addition of handrails and grab bars.

Eligibility: Recipients must have a qualifying service-connected disability and must own (or eventually own) the home as a permanent residence. Qualifying service-connected disabilities are described in law and on the VA website.²³ Eligible veterans can receive up to a maximum amount in grant funds (\$117,014 in FY2024). A related program, Special Home Adaptation Grants, provides a lesser amount of funding (\$23,444 in FY2024) for modifications for eligible veterans and servicemembers with certain other qualifying service-connected disabilities that are described in law and on the VA website.

²² Form 5695 is available on the IRS website at <https://www.irs.gov/forms-pubs/about-form-5695>.

²³ See VA's website at <https://www.va.gov/housing-assistance/disability-housing-grants/> for a list of qualifying service-connected disabilities.

How to Apply: Individuals apply directly through the VA. Applications can be made online, by mail, or in-person at the nearest VA regional office.²⁴ More information on how to apply is available on VA's website at <https://www.va.gov/housing-assistance/disability-housing-grants/how-to-apply>.

Website: <https://www.va.gov/housing-assistance/disability-housing-grants/>

Home Improvement and Structural Alterations (HISA) Grants

Administering Agency: VA

Purpose: Through this program, VA provides grants for medically necessary modifications to a veteran's or servicemember's primary residence. Eligible modifications include alterations to allow for entrance or exit from the home; use of essential bathroom, kitchen, or laundry facilities; or accessibility of kitchen or bathroom sinks or counters.

Eligibility: VA provides grants up to \$6,800 for structural alterations and modifications to address service-connected disabilities or up to \$2,000 to address other types of disabilities. A VA physician must write or approve a prescription for the required modifications.

How to Apply: Applicants apply directly to VA. Application requirements are listed on VA's website.²⁵

Website: <https://www.prosthetics.va.gov/psas/hisa2.asp>

VA Guaranteed Home Loans

Administering Agency: VA

Purpose: VA guarantees mortgages made to eligible veterans to purchase, refinance, construct, or repair a single-family home. VA-guaranteed mortgages can be used to finance alterations and repairs, including energy efficiency improvements, as part of a home purchase or refinance.²⁶ Borrowers of existing VA-guaranteed mortgages may also be able to qualify for a supplemental loan to finance alterations, improvements, or repairs to the property securing the mortgage.²⁷

Eligibility: Borrowers must be eligible veterans and meet VA underwriting requirements. For loans that include funding for alterations or repairs, the loan amount must be supported by the value of the improvements. The home must meet VA minimum property requirements prior to the issuance of the loan guarantee certificate. For supplemental loans, eligible improvements must protect or improve the basic livability or utility of the property and funds must primarily be used for the maintenance, replacement, improvement, or acquisition of real property (including fixtures). Borrowers pay a funding fee to VA.

How to Apply: Individuals apply through approved private lenders. Borrowers must obtain a Certificate of Eligibility in order to apply for a loan.²⁸

Website: <https://www.benefits.va.gov/homeloans/>

²⁴ To search for a VA regional office, see VA's website at <https://www.va.gov/find-locations/?facilityType=benefits> (search for "VA benefits" under "Facility Type").

²⁵ See the section "Applying for a HISA Benefit" at <https://www.prosthetics.va.gov/psas/hisa2.asp>.

²⁶ See Chapter 7 of the VA Lenders Handbook at https://benefits.va.gov/warms/pam26_7.asp.

²⁷ See 38 C.F.R. §36.4359, and Chapter 7 of the VA Lenders Handbook at https://benefits.va.gov/warms/pam26_7.asp.

²⁸ For more information on how to obtain a Certificate of Eligibility, see <https://www.va.gov/housing-assistance/home-loans/how-to-request-coe/>.

Native American Direct Loans (NADL)

Administering Agency: VA

Purpose: Through this program, VA provides direct loans to eligible Native American veterans to purchase, build, or modify a home on federal trust land that will be used as a primary residence. The costs of home repair can be included in an NADL to purchase a home.

Eligibility: The applicant must be a Native American veteran (or a non-Native American veteran married to a Native American). Eligible Native Americans include members of federally recognized tribes and Alaska Native Villages as well as Native Hawaiians and natives of American Samoa, the Commonwealth of the Northern Marianas, and Guam. Borrowers and properties must meet underwriting standards and other requirements. Loan amounts depend on the value of the home, up to an overall maximum loan limit. The home must be located on trust land, and VA must ensure that certain requirements are met (e.g., certain procedures related to foreclosure are in place). Borrowers pay a funding fee to VA.

How to Apply: Individuals apply directly to VA and can contact an NADL coordinator to begin the process.²⁹ Borrowers must obtain a Certificate of Eligibility in order to apply for a loan.

Website: <https://www.va.gov/housing-assistance/home-loans/loan-types/native-american-direct-loan/>

Veterans Housing Rehabilitation and Modification Pilot Program

Administering Agency: HUD, in partnership with VA

Purpose: Through this program, HUD provides competitive grants to nonprofit organizations to modify or rehabilitate the primary residences of low-income veterans with disabilities. Eligible modifications include changes to accommodate a disability (e.g., wheel chair ramps), rehabilitating homes in disrepair, and, under certain circumstances, energy efficiency activities.

Eligibility: Eligible grantees are nonprofit organizations that provide nationwide or statewide programs that primarily serve veterans or people with low incomes. Eligible individuals that can be assisted with program funds must be low-income veterans; “low-income” is defined as household income no higher than 80% of area median income. The home must be the veteran’s primary residence. Individual program NOFOs may specify additional eligibility criteria.

How to Apply: Eligible entities can apply to HUD in response to published NOFOs. Individuals apply through the entities that are awarded funds.³⁰

Website: <https://www.hudexchange.info/programs/rural/veterans-housing-rehabilitation-and-modification-pilot-program/>

²⁹ For information on how to contact an NADL coordinator, see <https://www.va.gov/housing-assistance/home-loans/loan-types/native-american-direct-loan/>.

³⁰ Recent grantees are listed at <https://www.hudexchange.info/programs/rural/veterans-housing-rehabilitation-and-modification-pilot-program/>.

Rural Areas

The U.S. Department of Agriculture's (USDA's) Rural Housing Service (RHS) administers a number of housing programs in rural areas,³¹ including some programs that can be used for home repair.

USDA Section 504 Single Family Housing Repair Loans and Grants

Administering Agency: RHS

Purpose: Through this program, RHS provides direct loans or grants to very low-income rural homeowners to make repairs or improvements to their properties. Grant funds are available for elderly homeowners and can be used to remove health and safety hazards or make properties accessible to household members with disabilities. Loan funds have no age restrictions and can be used for more general repairs or improvements as well as to address health or safety hazards or to make properties accessible.

Eligibility: Eligibility for both loans and grants is limited to very low-income homeowners in rural areas; "very low-income" is defined as household income no higher than 50% of area median income.³² To qualify for a grant (rather than a loan), applicants must also be age 62 or older. Loans of \$7,500 or higher must be secured by a lien on the property. Maximum grant and loan amounts apply; as of the cover date of this report, the maximum lifetime grant amount is \$10,000, and the maximum outstanding Section 504 loan balance for a borrower may not exceed \$40,000.³³

How to Apply: Homeowners can apply through their local USDA Rural Development (RD) office.³⁴

Website: <https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants>

USDA Section 533 Housing Preservation Grants

Administering Agency: RHS

Purpose: Through this program, USDA provides competitive grants to eligible entities for home repair activities in rural areas.³⁵ Eligible entities can use the funds to provide grants or loans to eligible homeowners or rental property owners.

Eligibility: State and local government entities, nonprofit organizations, federally recognized Indian tribes, and consortia of government or nonprofit entities that meet specified eligibility criteria are eligible to apply for funds. Homeowners who receive assistance through grantees must

³¹ USDA's website has a map showing eligible rural areas as defined for the purposes of the RHS rural housing programs at <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. Homeowners can search their address to see if it is located in an eligible rural area.

³² Very low-income limits by area are available on USDA's website at <https://www.rd.usda.gov/sites/default/files/RD-DirectLimitMap.pdf>.

³³ See Chapter 12, Section 12-8 of USDA Handbook HB-1-3550, *Direct Single Family Housing Loans and Grants—Field Office Handbook*, available at <https://www.rd.usda.gov/resources/directives/handbooks>.

³⁴ To locate a local USDA RD office, see <https://offices.sc.egov.usda.gov/locator/app?state=us&agency=rd>.

³⁵ Eligible activities are described in regulations at 7 C.F.R. §1944.664 and include, but are not limited to, activities such as installation or repair of water and waste disposal systems, repair or replacement of heating systems, roof replacement or repair, energy conservation activities, and alterations to provide accessibility for those with disabilities.

be “low-income”—defined as income no higher than 80% of area median income—and rental property owners that receive assistance must rent their units to households who are low-income. Funds must be used in eligible rural areas.

How To Apply: Eligible entities apply to USDA in response to published Notices of Funding Availability. Individual homeowners or rental property owners apply through the eligible entities that receive funding. Individuals can contact their local USDA RD office to learn about any organizations with active Housing Preservation Grant programs in their area.³⁶

Website: <https://www.rd.usda.gov/programs-services/single-family-housing-programs/housing-preservation-grants>

Seniors

Certain HUD programs that support home repair activities are specifically for older adults.³⁷

In addition to the HUD programs described in this section, the U.S. Department of Health and Human Services (HHS) funds programs for older adults that are authorized to provide home modifications and repairs, among other authorized activities. For example, local Area Agencies on Aging (AAAs) established under the Older Americans Act (OAA) may provide assistance with home modifications or repairs for older adults or people with disabilities. Local AAAs may use a range of federal and nonfederal funding sources to fund such activities. Federal funding sources can include funding from the OAA Title III B Supportive Services program, which can be used for a range of services. In addition, Medicaid home and community-based services waivers can be used to assist Medicaid recipients who are elderly or have disabilities with certain types of home repair, in order to enable them to continue living in their homes.³⁸ Homeowners can contact their local AAA for more information about any assistance available in their area.³⁹

Older Adults Home Modification Program (OAHMP) Grants

Administering Agency: HUD

Purpose: Through this program, HUD provides competitive grants to fund home modifications for seniors who are at least 62 years old that are designed to enable the recipient to remain at home as an alternative to moving to a nursing home or assisted living facility. This funding allows eligible homeowners to make modifications that enhance safety, improve accessibility, and provide an overall quality of life for seniors and focuses on “low-cost, high-impact” modifications, such as the installation of grab bars or railings or installation of adaptive equipment.

Eligibility: Eligible grantees are state and local governments, tribal governments, Public Housing Authorities (PHAs), and nonprofit organizations. Grantees can use funds to assist “low-income seniors”—defined as those with household incomes no higher than 80% of area median income who are at least 62 years old—with modifications to their primary residence.

³⁶ To locate a local USDA RD office, see <https://offices.sc.egov.usda.gov/locator/app?state=us&agency=rd>.

³⁷ USDA Section 504 home repair grants for very low-income homeowners in rural areas, discussed previously in the “Rural Areas” section, are also limited to homeowners aged 62 or older.

³⁸ These waivers vary by state, and the number of participants is limited. For more information, see <https://www.medicaid.gov/medicaid/home-community-based-services/home-community-based-services-authorities/index.html> and <https://www.cms.gov/training-education/partner-outreach-resources/american-indian-alaska-native/ltss-ta-center/information/ltss-models/home-and-community-based-services>.

³⁹ To locate local AAAs, see https://eldercare.acl.gov/Public/About/Aging_Network/AAA.aspx.

How to Apply: Eligible entities can apply to HUD in response to published NOFOs. Eligible homeowners apply for assistance through grantees that have been awarded funds.⁴⁰

Website: Information on this program is available on the SAM.gov website at <https://sam.gov/fal/bae92632f0ca43ad943475014d797e34/view>.

Home Equity Conversion Mortgages (HECMs)

Administering Agency: FHA

Purpose: HECMs are FHA-insured reverse mortgages that allow homeowners age 62 or older to access home equity while aging in place. Borrowers can use the proceeds from a HECM in any way they choose, including for home repair. Unlike a traditional forward mortgage, where the mortgage balance is paid down over time, the balance on a HECM grows as the homeowner draws home equity and accrues interest. The HECM balance becomes due and must be repaid when the borrower dies, sells the home, or no longer lives in the home as a principal residence. Nonborrowing spouses may remain in the home after a borrower dies or leaves the home to move into a health care facility under certain circumstances.

Eligibility: Homeowners must be age 62 or older and live in the home as a primary residence. Borrowers and properties must meet FHA underwriting and other eligibility requirements. There are limits on the amount that can be borrowed, which are based on the value of the home and nationwide mortgage limits.⁴¹ Borrowers must receive HECM counseling before obtaining a HECM. Borrowers pay fees in exchange for the insurance.

How to Apply: Individuals can apply through an FHA-approved lender that originates HECMs.⁴²

Website: <https://www.hud.gov/hud-partners/single-family-hecmhome>

Members of Federally Recognized Tribes in Tribal Areas

Certain programs administered by HUD and the U.S. Department of the Interior's (DOI's) Bureau of Indian Affairs (BIA) provide funds that can be used to assist members of federally recognized tribes in approved tribal service areas⁴³ with home repair.

While not members of a federally recognized tribe, in some cases Native Hawaiians eligible to reside on the Hawaiian Home Lands may receive assistance through similar programs. These programs are noted where applicable.

⁴⁰ Recent grantees can be found in HUD press releases; for example, see HUD, "HUD Announces Nearly \$70 Million in Grants to Protect Families from Home Health and Safety Hazards," press release, April 9, 2024, <https://archives.hud.gov/news/2024/pr24-074.cfm>. (Note that this press release announced awardees under several HUD grant programs, including, but not limited to, OAHMP.) See also HUD, "HUD Announces \$3.7 Million for Home Repairs for Seniors," press release, August 22, 2024, <https://archives.hud.gov/news/2024/pr24-215.cfm>.

⁴¹ There is a nationwide maximum mortgage amount for HECMs that is updated each year, though not all borrowers will qualify for the maximum mortgage amount. Maximum mortgage amounts can be found on HUD's website at <https://entp.hud.gov/idapp/html/hicostlook.cfm> (choose "HECM" under "Limit Type"). For 2025, the maximum mortgage amount for HECMs is \$1,209,750.

⁴² To search for FHA-approved lenders, see HUD's website at https://www.hud.gov/program_offices/housing/sfh/lender/lenderlist. There is an option to limit the search to FHA-approved lenders who have originated a HECM within the last year.

⁴³ Approved tribal areas are defined differently for different programs. Therefore, a tribe's service area for the purposes of one program may be different than the approved area for another program.

Indian Housing Block Grant Program (IHBG)⁴⁴

Administering Agency: HUD

Purpose: This program provides formula funds to federally recognized tribes⁴⁵ that can be used for a range of affordable housing activities. Rehabilitation assistance for existing homeowners is an eligible use of funds.⁴⁶

Eligibility: In general, assistance is limited to members of federally recognized tribes in a tribe's service area with household incomes no higher than 80% of area median income. In limited circumstances, funds can be used for non-tribal members or non-low-income families.

How to Apply: Tribes have discretion as to whether and how to use IHBG funds for home repair for existing homeowners. To the extent that a tribe is using funds for this purpose, individuals would apply through their tribe's housing authority or tribally designated housing entity.⁴⁷

Website: <https://www.hud.gov/helping-americans/public-indian-housing-ihbg>

Section 184 Indian Home Loan Guarantee Program⁴⁸

Administering Agency: HUD

Purpose: Through this program, HUD guarantees eligible loans made by private lenders to members of federally recognized tribes to purchase a home or refinance an existing mortgage in approved eligible areas.⁴⁹ Purchasing and rehabilitating a home, or rehabilitating a home that the borrower already owns, are allowable loan uses.⁵⁰ To finance rehabilitation costs in a loan, those costs must be at least \$10,000.

Eligibility: Borrowers must be enrolled members of a federally recognized tribe that is participating in the Section 184 program and use the loan for a home in an approved area.

⁴⁴ A similar program, the Native Hawaiian Housing Block Grant (NHHBG), provides funds to Hawaii's Department of Hawaiian Home Lands to use for a range of housing activities that benefit low-income Native Hawaiians; rehabilitation assistance for existing homeowners is an eligible use of funds. For more information on the NHHBG, see HUD's website at <https://www.hud.gov/helping-americans/public-indian-native-hawaiian-housing> and the Department of Hawaiian Home Lands website at <https://dhlh.hawaii.gov/>.

⁴⁵ A small number of state-recognized tribes that were grandfathered into the program are also eligible.

⁴⁶ Rehabilitation assistance for existing homeowners falls under the "Development" category of eligible uses of IHBG funds and, according to a HUD notice, "includes minor or substantial housing rehabilitation or modernization of privately owned units such as new roofs, new siding, new windows, new furnaces, new heat pumps, solar panels, plumbing, electrical systems or mechanical systems, energy efficiency upgrades, and improvements related to the health and safety of residents." See HUD PIH Notice 2023-30, "Affordable Housing Activities Under the Native American Housing Assistance and Self-Determination Act (NAHASDA)," October 12, 2023, <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-30.pdf>.

⁴⁷ For a list of tribes and tribally designated housing entities by region, see HUD's website at <https://www.hud.gov/helping-americans/public-indian-housing-tdhe>.

⁴⁸ A similar program, Section 184A Loan Guarantees for Native Hawaiian Housing, guarantees loans made to Native Hawaiians eligible to reside on the Hawaiian Home Lands. More information, including lenders approved to participate in the Section 184A program, is on HUD's website at <https://www.hud.gov/helping-americans/public-indian-housing-section184a>.

⁴⁹ For areas that are approved for the Section 184 program, see HUD's website at https://www.hud.gov/sites/dfiles/PIH/documents/184_Map_States_and_Counties.pdf.

⁵⁰ Eligible rehabilitation activities include structural alterations; elimination of health and safety hazards; repairs related to plumbing, heating, air conditioning, and electrical systems; repairs related to roofing, gutters, and downspouts; energy conservation activities; and providing accessibility for disabled individuals, among other things. See HUD's Section 184 Processing Guidelines (October 2014), Chapter 7, p. 10, <https://www.hud.gov/section184-guidelines>.

Borrowers and properties must meet underwriting standards and other eligibility criteria, and the loan must not exceed a maximum loan amount. Borrowers pay an upfront fee in exchange for the loan guarantee.

How to Apply: Individuals can contact a lender that is approved to participate in the Section 184 program.⁵¹

Website: <https://www.hud.gov/section184>

BIA Housing Improvement Program

Administering Agency: BIA

Purpose: Through this program, BIA provides grant funds to address substandard housing for members of federally recognized tribes who lack other resources to acquire standard housing. Four different categories of assistance are available: (1) interim improvements to address health and safety hazards; (2) repairs and renovations to bring housing up to standard condition; (3) providing replacement housing when a home cannot be brought up to standard condition, or a new home for tribal members who do not own a home; and (4) down payment assistance to help tribal members purchase a home.

Eligibility: Eligibility is limited to members of federally recognized tribes living in approved tribal service areas with household incomes no higher than 150% of HHS' poverty guidelines. Eligible applicants must currently have substandard housing, not have other resources for housing assistance, meet certain requirements related to limits on past receipt of housing assistance, and, for certain types of assistance, meet requirements related to ownership of the housing.

How to Apply: Depending on whether the tribe is directly administering the program, individuals apply through their tribal housing office or through the BIA office administering the program for that tribe. For more information on the application process, see BIA's website at <https://www.bia.gov/bia/ois/dhs/housing-program/apply-housing-program>.

Website: <https://www.bia.gov/bia/ois/dhs/housing-program>

Manufactured Housing

HUD administers a program, the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program, that provides assistance to preserve manufactured homes and manufactured home communities.⁵² This program was first funded in the Consolidated Appropriations Act, 2023 (P.L. 117-328).

PRICE Program

Administering Agency: HUD

Purpose: HUD provides competitive grants to eligible entities to preserve and revitalize manufactured homes and eligible manufactured home communities. Grants can be used for a range of allowable activities to support manufactured housing and manufactured home

⁵¹ A list of approved lenders is available at https://www.hud.gov/sites/dfiles/PIH/documents/Section_184_Approved_Lenders.pdf.

⁵² In some cases, owners of manufactured homes may also be able to qualify for programs described elsewhere in this report. Eligibility of manufactured homes depends on the program in question, and eligibility often also depends on whether the manufactured home is titled as real or personal property and is attached to land owned by the homeowner.

communities, including, but not limited to, home repair and rehabilitation activities, replacement of homes built before 1976, and resiliency and mitigation activities.

Eligibility: Entities that can apply for funds include states and local governments, federally recognized tribes or their tribally designated housing entities, resident-controlled manufactured home communities, cooperatives, nonprofit organizations, and community development financial institutions (CDFIs). Except where waived by HUD, CDBG program requirements apply.

How to Apply: Eligible entities apply for funding through NOFOs released by HUD. Any home repair assistance that uses PRICE funds would be available through individual grantees. HUD announced the first round of grantees in December 2024,⁵³ and summaries of how the grantees intend to use the funds are available at https://www.hud.gov/sites/dfiles/CPD/documents/PRICE_Awardees_Fact_Sheet.pdf.

Website: <https://www.hudexchange.info/programs/manufactured-housing-and-price/>

Other Programs

In addition to the programs described throughout this report, some other federal assistance may be available for home repair under certain circumstances. Examples are discussed below.

Federal Home Loan Banks Affordable Housing Program

The Federal Home Loan Bank System is a government-sponsored enterprise that supports mortgage lending.⁵⁴ It includes 11 regional Federal Home Loan Banks (FHLBs) that are required by law to set aside 10% of their net income from the preceding year for an Affordable Housing Program (AHP). Through the AHP, each FHLB provides assistance for acquiring, constructing, or rehabilitating affordable housing for rent or homeownership within its designated region. For homeownership housing, households must have incomes at or below 80% of area median income; for rental housing, at least 20% of units must be occupied by and affordable to households with incomes at or below 50% of area median income.

Each regional FHLB can choose to set aside up to 35% of its required AHP contribution (or \$4.5 million, whichever is greater) for a Homeownership Set Aside program to fund down payment and closing cost assistance, housing counseling, or home repair assistance. Not all FHLBs use AHP funds for home repair, and those that do may only offer specialized home repair programs.

A link to each individual FHLB website, and a list of the states the FHLB serves, is available at <https://www.fhfa.gov/supervision/federal-home-loan-bank-system/districts>. Each FHLB's website generally includes a section on affordable housing that describes its AHP programs, including programs that provide assistance with home repair, if any.

NeighborWorks America

NeighborWorks America is a congressionally chartered nonprofit that supports a network of local NeighborWorks affiliate organizations that carry out a range of affordable housing and community reinvestment activities. NeighborWorks receives an annual appropriation that it uses to provide grants, training, and technical assistance to its network. Some local NeighborWorks

⁵³ HUD, "Biden-Harris Administration Awards \$225 Million To Preserve and Revitalize Housing," press release, December 19, 2024, <https://archives.hud.gov/news/2024/pr24-322.cfm>.

⁵⁴ For more information on the Federal Home Loan Bank System, see <https://fhlbanks.com/>.

organizations have programs that support home repair activities. Not all local NeighborWorks organizations offer home repair assistance, and those that do may only offer specialized home repair programs. A directory of local NeighborWorks organizations is available at <https://www.neighborworks.org/Our-Network/Network-Directory>.

Community Services Block Grant (CSBG)

In addition to the HUD block grants described previously in this report, certain other federal block grants may also be able to be used for certain types of home repair assistance at the discretion of the local administering agency. For example, through the CSBG, HHS provides funds to states and tribes that can be used for a wide range of community-based activities to reduce poverty. Funds are administered through local agencies, primarily local Community Action Agencies (CAAs). Among many other potentially eligible activities, CSBG funds can be used to help households obtain and maintain adequate housing.⁵⁵ This can include certain types of home repair activities, including some repairs to address health and safety concerns, modifications to support independent living, and energy efficiency improvements. Statute generally prohibits the use of CSBG funds for major construction or capital improvements, though this limitation may be waived in limited circumstances.⁵⁶

CSBG provides flexibility in how funds are used, and entities are not required to use the CSBG for home repair assistance. For more information about local CSBG-funded programs, including any available home repair assistance, individuals can contact their local CAA.⁵⁷

Social Services Block Grant (SSBG)

SSBG, another flexible HHS block grant, provides funds to states that may be used for a wide variety of social services, including “services related to the management and maintenance of the home.”⁵⁸ Federal regulations identify and define a number of service categories, which include home-based services (which may include simple home repairs and yard maintenance) and housing services (which may include minor renovations and activities to correct substandard housing conditions), among many others.⁵⁹ Statute generally prohibits the use of SSBG funds for major construction or capital improvements, though this limitation may be waived in limited circumstances.⁶⁰ In some instances, supplemental appropriations to the SSBG have explicitly authorized funds to be used for construction, renovation, and rebuilding activities (though not necessarily for housing).

SSBG affords states flexibility in determining how best to use funds to support needs within the state; states are not required to use the SSBG for home repair assistance. For more information about local SSBG-funded programs, including any available home repair assistance, individuals can consult with SSBG state contacts.⁶¹

⁵⁵ 42 U.S.C. §9908.

⁵⁶ 42 U.S.C. §9918.

⁵⁷ The Community Action Partnership, a nonprofit membership organization for CAAs, provides a tool to search for local CAAs on its website at <https://communityactionpartnership.com/find-a-cap/>. For more information on CSBG in general, see <https://www.acf.hhs.gov/ocs/programs/community-services-block-grant-csbg>.

⁵⁸ 42 U.S.C. §1397a.

⁵⁹ 45 C.F.R. §96, Appendix A.

⁶⁰ 42 U.S.C. §1397d.

⁶¹ A list of SSBG state officials and program contacts is available at <https://www.acf.hhs.gov/ocs/contact-information/> (continued...)

Tax-Advantaged Accounts and Other Tax Treatment of Certain Qualified Medical Expenses

Taxpayers who have certain types of tax-advantaged accounts for health care expenses—including Health Savings Accounts (HSAs), Health Flexible Spending Arrangements (FSAs), and Health Reimbursement Arrangements (HRAs)—may be able to use withdrawals from these accounts to pay for certain types of medically necessary home repairs. Eligibility to establish such accounts and the specifics of how they work depends on the particular type of account in question, but in general, individuals and/or their employers make tax-free contributions to these HSA, FSA, or HRA accounts, and individuals can make tax-free withdrawals from them to pay for qualified medical expenses.

Reasonable costs to modify a home could be considered qualified medical expenses and paid for using disbursements from these types of tax advantaged accounts if the main purpose of the modification is medical care for the taxpayer or the taxpayer's spouse or dependents. The full cost of improvements could be a qualified medical expense if the improvements do not increase the value of the property. If the improvements do increase the value of the property, only the difference between the cost of the improvements and the increase in property value could be considered a medical expense. Examples of potentially eligible medical improvements include installing ramps, widening doors or hallways, lowering or modifying kitchen cabinets, and adding handrails or grab bars.

Taxpayers who undertake home modifications that are considered a qualified medical expense but do not pay for those modifications using a tax-advantaged account may be able to include these costs as itemized deductions on their federal tax return.

For more information on tax-advantaged accounts for health care expenses, see <https://www.healthcare.gov/job-based-help/coverage/>, and IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, at <https://www.irs.gov/pub/irs-pdf/p969.pdf>. For more information on the types of medically necessary home improvements that can be paid for using tax-advantaged accounts or claimed as an itemized deduction, see the section on “Capital Expenses” in IRS Publication 502, *Medical and Dental Expenses*, at <https://www.irs.gov/pub/irs-pdf/p502.pdf>.

Additional Resources

Available home repair program options vary by location. This is in part because, as noted previously in this report, some federal funds flow through state or local governments or nonprofit organizations and may be used differently by different recipients (subject to federal requirements). Additional programs that are not federally funded may sometimes be available as well. In addition, as discussed throughout this report, various types of local entities may provide different types of housing repair assistance. These include state or local housing departments, housing finance agencies, weatherization agencies, local CAAs, local AAAs, or other local governmental agencies or nonprofits.

A number of resources are available to help homeowners locate home repair assistance programs that may be available in their area, including the following:

ssbg-grantee-contact-information. For more information on SSBG in general, see <https://www.acf.hhs.gov/ocs/programs/ssbg>.

- **HUD’s website** provides information for consumers seeking to repair or rehabilitate their homes:
 - The “Home Improvements” page on the HUD website provides some general information on undertaking home repairs, including information on some of the programs discussed in this report at <https://www.hud.gov/helping-americans/home-improvements>.
 - HUD also maintains web pages with state-specific information that can be found at <https://www.hud.gov/states>. The “Homeownership” and “Housing Quality and Improved Living Conditions” sections of those state websites include information on home repair and often provide links to available state or local programs.
- **HUD-approved housing counseling agencies** have counselors who can assist homeowners with identifying programs that may be able to help with home repair needs. For more information on counseling services and locating a HUD-approved housing counseling agency, see HUD’s website at <https://www.hud.gov/hud-partners/single-family-about-housing-counseling>.
- **Other organizations** compile information that may be helpful in connecting homeowners to home repair programs in their area, including the following:
 - The Fall Prevention Center of Excellence at the University of Southern California Leonard Davis School of Gerontology, which focuses on promoting aging in place and independent living, maintains a National Directory of Home Modification and Repair Resources at <https://homemods.org/national-directory/>. It also compiles a state-by-state inventory of home repair options through its Home Modification Information Network, with support from HHS’s Administration for Community Living at <https://homemods.org/acl/hmin/>.
 - The Coalition for Home Repair is a trade organization for nonprofit entities involved in home repair activities. Its membership directory provides links to member organization websites that provide more information on each organization’s programs at <https://www.coalitionforhomerepair.org/coalition-members>.

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