

# \$25 Million Set Aside for Appalachian Housing

*Dylan Lovan*  
*ABC News*  
*February 26, 2010*

A Kentucky-based nonprofit group will help low-income home buyers tap into \$25 million in federal funding set aside for four central Appalachian states.

The Federation of Appalachian Housing Enterprises in Berea, Ky., said the arrangement with the U.S. Department of Agriculture is the first of its kind in the nation.

"The need for housing is pretty awesome in this region," said Jim King, CEO of the Berea group, which works with 50 affiliate groups.

King said they hope to help 200 prospective home buyers in the Appalachian areas of Kentucky, Virginia, West Virginia and Tennessee. Borrowers approved for loans through the program could get an interest rate as low as 1 percent, along with payment assistance and 100 percent financing, according to a statement.

Kimberly Maggard said she and her husband David hope to land a 1 percent rate on a three-bedroom, two-bathroom home in Harlan, Ky., so they can move out of their rental.

"Our family is getting bigger," said Maggard, 23, who is pregnant with her second child. She and her husband are taking college courses to become teachers.

Kimberly Maggard said an affordable loan would help "a whole lot," since her husband's grocery store job is the family's only income.

The Berea nonprofit group and its affiliates are being given "unprecedented access to fast track" the federal money, the statement said. The Maggards are working with an affiliate in Harlan, Christian Outreach with Appalachian People.

The federal funding would only reach a tiny fraction of the Appalachian families in need of affordable housing, according to King. He said there are about 100,000 substandard households in the four-state region, meaning they lack plumbing or are in severe disrepair. He said that number doesn't include families struggling to pay for housing that is deemed adequate.

Helping people find affordable homes won't end Appalachia's poverty problem, King said.

But if you don't address it, then you really can't get at the other things that might," King said. "Education is important, health care is important, job creation is important, but all of them have limits if you don't know how stable your housing is when you go home at night."

The price of a home financed under the program will range from about \$80,000 to \$120,000, he said.

The \$25 million in funding comes from a USDA program that was funded by federal stimulus dollars. The USDA is also providing the Berea group with a \$75,000 grant for operating support for the program.