



Rural Development

What is it good for?

Absolutely everything!

USDA Rural Development



USDA Rural Development's Mission

To assist rural communities in creating prosperity so they are self-sustaining and economically thriving through investments that create ladders of opportunity, build regional resilience and support the growth of emerging markets.



USDA Rural Development



Administers over 80 Programs

**Supports rural communities with
loan and grant investments of
over \$50 billion annually**

**Portfolio of investments exceeds
\$220 billion**

Through our programs, we help rural Americans in many ways.



Water and Environmental Programs



Telecommunications



OneRD Guarantee



Community Programs



Energy Programs



Housing Programs



Electric Programs



ReConnect



Business Programs

Community Programs

Affordable funding to develop fundamental community infrastructure.



Rural Development (RD) - Community Facilities

Essential Community Facilities

Health Care Facilities & Equipment

Public Buildings & Equipment

Public Safety Facilities & Equipment

Education & Cultural Facilities
& Equipment



Community Facilities Direct Loan and Grant

Eligible Entities

Eligible Entities include:

Nonprofit Corporation

Public Bodies

Federally Recognized Tribes

Eligible Area

Rural areas with population of 20,000 or less

Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms



Direct Loan Rates and Terms

Competitive Terms and Interest Rates

- Up to 40-year term, based on the useful life of the facilities financed.
- Rates are set by the Agency quarterly
- Once the loan is approved, the interest rate is fixed for the entire term of the loan, Rate is determined by the median household income of the service area.
- There are no pre-payment penalties.

Interest Rate Eligibility

Rates as of April 1, 2024 June 30, 2024

Poverty Rate 4.50%	MHI below poverty line for family of 4 or below 80% of State Non-Metro MHI
Not applicable to facilities that provide direct health care to the public	
Intermediate Rate 4.00%	MHI below poverty line less than 100% of State Non-Metro MHI
Market Rate 3.50%	All other loans

Community Facilities Grant

How Can Funds Be Used?

Purchase vehicles and equipment.

Purchase real estate/buildings – Must be a complete project.

Construction, expansion, or renovations, to essential community facilities.

Maximum Grant Percentage

Grant percentage range from 15% to 75% of total project cost.

Percentage is based on population of facility and MHI of service area.

Maximum Grant Amount

\$50,000 or 50% of the annual State allocation of Grant Funds, whichever is greater.



Community Facilities Guaranteed Loans

Helps private lenders provide affordable financing to qualified borrowers to develop essential community facilities in rural areas

What are eligible uses of funds?

Construct, enlarge, improve, extend or otherwise improve essential community facilities.

What is in an eligible area?

Populations of 50,000 residents or less, based on the latest decennial census and not in the urbanized area contiguous to that city or town.

What is the maximum amount of a loan guarantee?

Loan guarantee percentage for Fiscal Year 2023 & 2024 is 80%.

What are the loan terms?

The lender, with Agency concurrence, will establish and justify the guaranteed loan term. The loan term will not exceed 40 years.

What are the interest rates?

Interest rates are negotiated between the lender and borrower.
Rate can be variable or fixed.



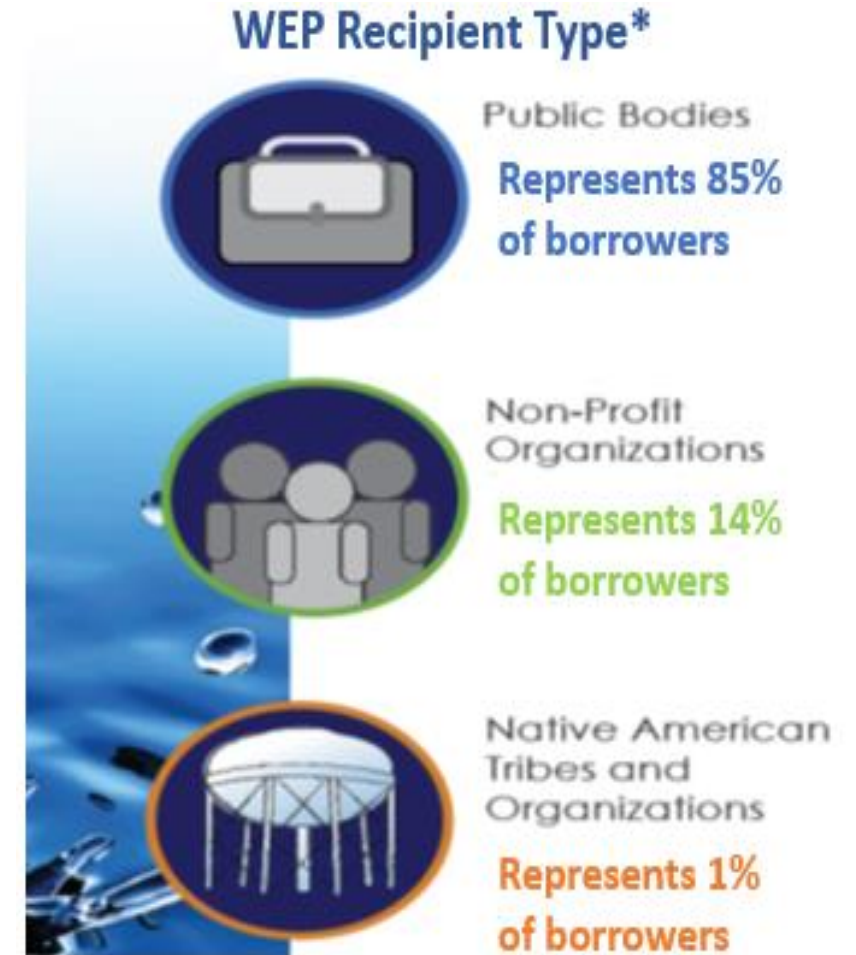


Water and Environmental Programs (WEP)

Water and Environmental Programs (WEP) Program Overview

Water and Waste Disposal Programs

- WEP finances water, sewer and solid waste utilities to provide affordable services to rural communities with populations of 10,000 or less.
- WEP can finance the acquisition, construction or improvement of:
 - Drinking water sourcing, treatment, storage and distribution
 - Sewer collection, transmission, treatment and disposal
 - Solid waste collection, disposal and closure
 - Storm water collection, conveyance and disposal



Water and Waste Disposal Loans and Grants

Funding also covers activities including soft costs that are related to the construction or improvements including:

- Engineering, environmental, and legal fees
- Land acquisition, water and land rights, permits and equipment
- Other costs determined to be necessary for completion of the project

Loan funds can also be used for:

- Interest incurred during construction
- Start-up operations and maintenance
- Purchase of facilities to improve service or prevent loss of service



Water and Waste Guaranteed Loans

Helps private lenders provide affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.

- **What are eligible uses of funds?**

Construct, enlarge, otherwise improve, or purchase and install equipment to operate, maintain, or protect facilities.

- **What is in an eligible area?**

Populations of 50,000 residents or less, based on the latest decennial census and not in the urbanized area contiguous to that city or town.

- **What is the maximum amount of a loan guarantee?**

The WEP loan guarantee percentage for Fiscal Year 2023 & 2024 is 80%.

- **What are the loan terms?**

The lender, with Agency concurrence, will establish and justify the guaranteed loan term. The loan term will not exceed 40 years.

- **What are the interest rates?**

Interest rates are negotiated between the lender and borrower. May be fixed or variable. Variable rates may not be adjusted more often than quarterly.



Emergency and Imminent Community Water Assistance Grants (ECWAG)

Emergencies and events such as drought, flood, earthquake, tornado, hurricane, wildfire, disease outbreak, chemical spill, leak, seepage, and/or other disasters.

Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply.

Water source grants up to \$1,000,000 to construct a water source, intake or treatment facility.



Housing Programs



The American Dream - 502 Direct Loan Program

- Direct loans to assist very-low and low income families in rural areas
 - Payment based on income
 - No down payment required
 - Fixed rate financing – up to 33 years
 - Homes must be located in eligible rural areas
 - Agree to occupy the property
 - Descriptions and maps are available on the internet:
<http://eligibility.sc.egov.usda.gov/eligibility.welcomeAction.do?Home>
 - First-time homebuyers to complete Homeownership Education Training.



The American Dream – Guaranteed Loan Program

Guaranteed loans to assist low to moderate income families in rural areas

- Loans made by a regional or local bank
- No down payment required

Applicants must:

1. Household income not to exceed 115% of median income.
2. Agree to occupy dwelling as primary residence.
3. US Citizen, non-citizen national, or qualified alien.
4. Unable to get conventional financing
5. Not be suspended or debarred from participating in federal programs

Where to Apply

- Approved Lender, link below:

[Single Family Housing Guaranteed Loan Program | Rural Development \(usda.gov\)](https://www.usda.gov/Single-Family-Housing-Guaranteed-Loan-Program)



504 Home Improvement

- Loans to assist very-low income homeowners in rural areas for essential repairs
 - 1% interest rate – Max 20 yr. term
 - Terms based on repayment ability
 - Maximum Loan amount = \$40,000
- Grants to assist very-low income rural homeowners
 - 62 years or older
 - Rehabilitate substandard housing
 - Grant assistance not to exceed \$10,000





Rural Business-Cooperative Service



USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

What do we fund? (Types of Projects)



B&I Guarantee Loans

- Hotels
- Manufacturing
- Construction
- Industrial Supply
- Convenience Stores
- Assisted Living

REAP Guarantee Loans

- Commercial Grade Solar Projects
- Anaerobic Digesters
- Energy Efficiency Equipment and Systems for Agricultural Production and Processing

Value Added Producer Grants

- Feasibility Studies
- Business Plans
- Working capital for value added product market development and expansion

RBDG

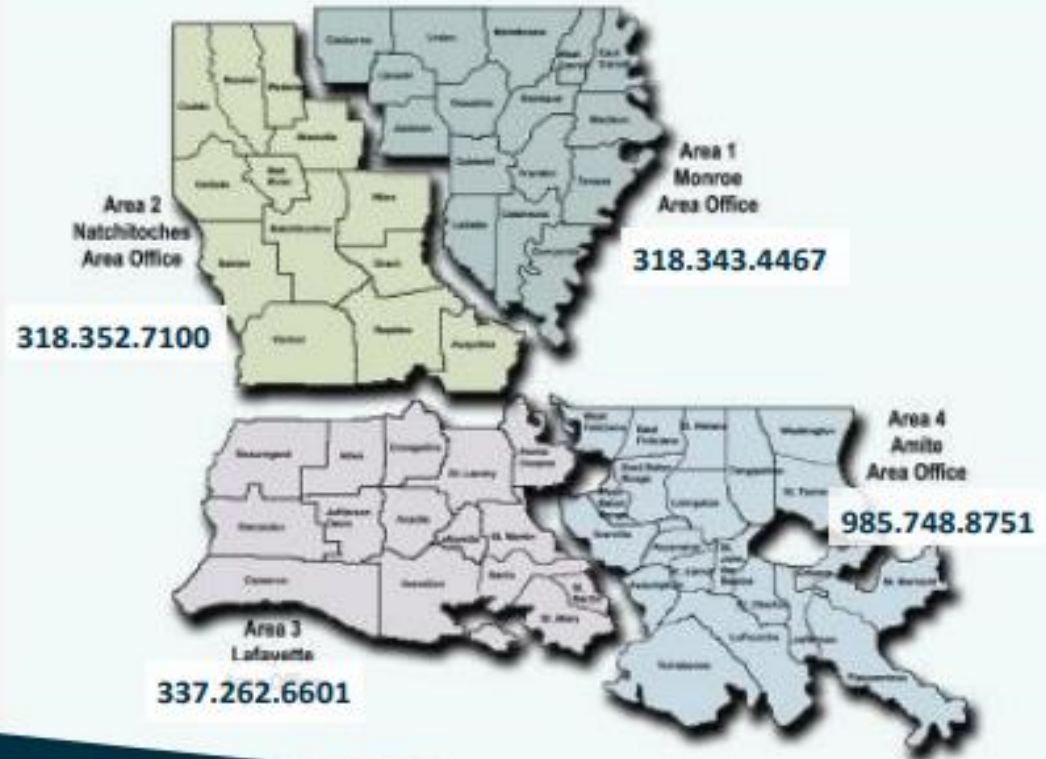
- Technical Assistance-Type Projects
- Business Incubators
- Workforce Training

REAP Grants

- Solar/Wind
- Grain Dryers
- Lighting/HVAC
- Insulation/Cooling or Refrigeration Units
- Energy Audit/Renewable Energy Technical Assistance

Rural Development State and Area Offices

**USDA Rural Development
State Office
3727 Government Street
Alexandria, Louisiana
(318) 473-7920**



www.rd.usda.gov

Thank you!

Visit us online at: www.rd.usda.gov

A decorative graphic in the bottom right corner of the slide, featuring a cluster of light blue stars of varying sizes above several wavy, horizontal stripes in a slightly darker shade of blue, reminiscent of the American flag.