

# Rural Development Programs For Community and Economic Development



Committed to the future of rural communities.



# Rural Housing [www.rurdev.usda.gov/rhs/index.html](http://www.rurdev.usda.gov/rhs/index.html)

| Program   | Objective   | Applicant   | Uses  | Population                                      | Loan/Grant                     | Terms/Conditions  |
|---|---|---|---|---|--------------------------------|---|
| Single Family Home Ownership Direct Loans                           | Safe, well-built, affordable homes for rural Americans.   | Families and individuals. Apply to Rural Development.   | Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.  | Rural areas with populations of 25,000 or less. | Direct loan.                   | Up to 100 percent of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.   |
| Single Family Home Ownership Direct Repair Loans and Grants         | To help very-low-income applicants remove health and safety hazards or repair their homes.                | Families and individuals who currently own their home. Apply to Rural Development.  | Repair/replace roof, winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses. | Rural areas with populations of 25,000 or less. | Direct loan and grant.         | Loan terms to 20 years at 1 percent. Assistance to individual may not exceed \$20,000. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1 percent loan.                                       |
| Single Family Home Ownership Guaranteed Loans                       | Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.           | Families and individuals. Apply to lender.  | Purchase new or existing home.  | Rural areas with populations of 25,000 or less. | Loan guarantee.                | 30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100 percent of market value. No maximum loan limit. Fee is 1½ % of loan.  |
| Mutual Self-Help Home Ownership Loans                               | Individual homes built by a group of applicants, with construction guidance of a non-profit organization. | Families and individuals. Apply to Rural Development. Loan applications are processed on an individual basis for each participating family.           | Construction of a new home, in part by the applicant under supervision.   | Rural areas with populations of 25,000 or less. | Direct loan.                   | Individual families receive a direct loan from Rural Development. Participating non-profit housing organization gets a grant to hire a supervisor and pay other administrative expenses.  |
| Mutual Self-Help Housing Grants                                     | Assist lower income families in building their own homes.   | Non-profits and public bodies.  | Technical assistance to qualify and supervise small groups of families to build each other's homes.                                     | Rural areas with populations of 25,000 or less. | Grant.                         | Grant agreement.  |
| Rental Housing for Families and Elderly Direct Loans and Guarantees | Safe, well-built, affordable rental housing for very-low-income individuals and families.                 | Individuals, limited profit and non-profit organizations. For guarantees, apply to intermediary lender; for direct loans, apply to Rural Development. | New construction or substantial rehabilitation of rental housing.   | Rural areas with populations of 25,000 or less. | Direct loan or loan guarantee. | Up to 100 percent of total development cost (non-profits); 97 percent (for-profits). 30-year term with up to 50 year amortization. For for-profit organizations with Low-Income Housing Tax Credits, 95 percent of total development costs. |
| Housing Preservation Grants   | Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families.             | Public bodies and non-profit organizations. Apply to Rural Development.   | Operation of a program which finances repair and rehabilitation activities for single family and small rental properties.               | Rural areas with populations of 25,000 or less. | Grant.                         | Grant agreement.  |
| Farm Labor Housing  | Safe, well-built affordable rental housing for farm workers.  | Individuals, public and private non-profit organizations. Apply to Rural Development.   | New construction or substantial rehabilitation of rental housing.   | N/A   | Direct loan and grant.         | Up to 102 percent of total development cost.<br>Up to 33 years to repay at 1 percent interest.  |

*Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved banks, mortgage companies)*

# Rural Business [www.rurdev.usda.gov/rbs/index.html](http://www.rurdev.usda.gov/rbs/index.html)

| Program   | Objective   | Applicant  | Uses  | Population   | Loan/Grant   | Terms/Conditions   |
|---|---|--|---|--|--|--|
| Business and Industry Guarantee Loans                             | Create jobs and stimulate rural economies by providing financial backing for rural businesses.  | Businesses. Apply through Federal or State chartered banks, credit unions, savings & loan associations.  | Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of businesses that create rural employment.   | All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas. | Loan guarantee.  | Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.  |
| Rural Business Enterprise Grants                                  | Finance and facilitate the development of small and emerging private business enterprises.  | Public bodies, private non-profit corporations, and federally recognized Native American tribal groups. Apply to Rural Development.  | Buy and develop land, establish a revolving loan fund, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, and rural distance learning networks. | All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas. | Grant.   | When grant funds are used for revolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.  |
| Intermediary Relending Program Loans                              | Finance business facilities and community development projects in rural areas.  | Public bodies, non-profit corporations, Native American tribes, and cooperatives. Apply to Rural Development.  | Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.   | Rural areas and incorporated places with populations of less than 25,000.                      | Direct loan to Intermediary. Intermediary then makes loan to business. | The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1 percent for 30 years.   |
| Rural Economic Development Loans and Grants                       | Finance economic development and job creation in rural areas.   | Rural Utilities Service-financed electric and telephone utilities. Apply to Rural Development.   | Business startups or expansion projects that create rural jobs.   | Rural areas and places with populations of 2,500 or less.                                      | Direct loan and revolving loan fund grant.                             | The intermediary (electric or telephone utility) makes loans to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0 percent for 10 years.   |
| Rural Cooperative Development Grants                              | Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives. | Non-profit corporations and institutions of higher education. Apply directly to Rural Development National Office.   | Establish operating centers for development of rural cooperatives.  | All areas.   | Grant.   | Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis. Some funds are reserved for applicants that focus on assistance to small, minority producers through their cooperative businesses (governing board or membership at least 75 percent minority). |
| Value-Added Agricultural Product Market Development Grant         | Assist independent agricultural producers to enter into activities that add value to their crops.   | Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Apply to Rural Development State Office. | Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start the operations of a venture.  | All areas.   | Grant.   | Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.   |
| Rural Business Opportunity Grant                                  | Finance technical assistance for business development planning in rural areas.  | Public bodies, non-profit corporations, Indian tribes on Federal or State reservations, and cooperatives with members that are primarily rural residents.                                | Technical assistance, leadership training, establishment of business support centers, economic development plans.   | All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas. | Grant.   | Must be completed within 2 years after project has begun.  |
| Renewable Energy Systems and Energy Efficiency Improvements Grant | Finance the purchase of renewable energy systems, and make energy improvements.   | Agricultural producers and rural small businesses.   | Construction or improvement, purchase and installation of equipment, energy audits, permit fees, professional service fees, business plans, feasibility studies.  | All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas. | Grant and Loan Guarantee.  | Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Grant cannot exceed 25 percent of eligible project costs. Guaranteed Loan cannot exceed 50% of eligible project cost.   |

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# Rural Infrastructure [www.rurdev.usda.gov/rus/index.html](http://www.rurdev.usda.gov/rus/index.html)

| Program                                     | Objective   | Applicant  | Uses  | Population   | Loan/Grant                | Terms/Conditions  |
|---|---|--|---|--|---------------------------|---|
| Water and Waste Disposal Loans and Grants   | Provide water and wastewater infrastructure financing for rural areas.                                      | Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development. | Build, repair, and improve public water systems, and waste collection and treatment systems. Also other related costs.  | Rural areas, cities, and towns with up to 10,000 population. | Direct loan and grant.    | Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment period is a maximum of 40 years. Grant funds may be available for small low income communities to maintain reasonable water rates. |
| Water and Waste Disposal Loan Guarantees    | Provide water and wastewater infrastructure financing for rural areas.                                      | Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development. | Construct, repair, modify, expand, improve water supply and distribution systems, and waste collection and treatment systems. Also other related costs.           | Rural areas, cities, and towns with up to 10,000 population. | Loan guarantee.           | Eligible lenders obtain up to a 90 percent guarantee on loans they make and service. Lenders should contact Rural Development Area or State Office.   |
| Solid Waste Management Grants               | Provide funding for technical assistance and/or training to help communities reduce the solid waste stream. | Non-profit organizations and public bodies. Apply to Rural Development.                  | Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities; reduce solid waste in streams. | Rural areas, cities and towns with up to 10,000 population.  | Grant.                    | Projects are funded based on selection at the National level. Applications are accepted from October 1 <sup>st</sup> to December 31 <sup>st</sup> of each year.   |
| Emergency Community Water Assistance Grants | Provide emergency funding to needy communities.   | Public bodies, tribes & non-profits corporations   | Repair, replace or maintain systems that show significant decline in water quality or quantity  | Rural areas with population of 10,000 or less                | Grant                     | \$500,000 maximum within 2 years of water decline, otherwise \$150,000 maximum  |
| Native American Grants                      | Benefit members of Federally Recognized Native American Tribes.   | Recognized Tribes or Communities with over 50% Native American population.               | Construct, repair, improve public water and wastewater systems and other related costs.   |  | Grant                     | Maximum grant is \$1.0 million per project.   |
| Pre-Development Planning Grants             | Assist in paying costs associated with developing a water/wastewater application.                           | Public bodies, tribes & non-profits corporations   | Pays costs for developing an application for water & waste disposal projects  | Rural areas with population of 10,000 or less                | Grant                     | \$15,000 maximum grant or 75% of eligible costs.  |
| Economic Impact Initiative Grants           | Provide assistance in communities with unemployment greater than 19.5%                                      | Public bodies, tribes & non-profits corporations   | Develop essential community facilities in areas of extremely high unemployment & severe economic depression   | Rural areas with population of 20,000 or less                | Grant                     | Maximum grant is 75% of project cost. Unemployment rate must be 19.5% or higher. Amount of grant based on medium household income & population of service area.   |
| Community Facilities Loans & Grants         | Provide essential community facilities for rural communities.   | Public bodies, non-profit organizations, and Indian tribes. Apply to Rural Development.  | Build facilities and purchase equipment for fire and rescue, telecommunications, schools, libraries, hospitals, etc.  | Rural areas with populations of 20,000 or less.              | Direct loan and/or grant. | Up to 100 percent of market value. Up to 40 years or life of security. Maximum grant 75 percent of eligible project cost. Amount of grant based on medium household income & population of service area.  |
| Community Facility Guarantee Program        | Provide essential community facilities for rural communities.   | Public bodies, non-profit organizations, and Indian tribes. Apply to Rural Development.  | Build facilities and purchase equipment for fire and rescue, telecommunications, schools, libraries, hospitals, etc.  | Rural areas with populations of 20,000 or less.              | Loan Guarantee            | Eligible lenders can obtain a 90% guarantee for loans made and serviced by them. Eligible lenders should contact Rural Development Area or State Office.  |

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# Rural Infrastructure [www.rurdev.usda.gov/rus/index.html](http://www.rurdev.usda.gov/rus/index.html)

| Program                            | Objective   | Applicant  | Uses  | Population   | Loan/Grant                        | Terms/Conditions  |
|------------------------------------|---|--|---|--|-----------------------------------|---|
| Broadband Loan and Loan Guarantee  | The deployment of broadband service to eligible rural communities.  | Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Cannot serve more than 2% of the telephone subscriber lines installed in the U.S. Contact USDA-RUS Administrator, STOP 1510, 1400 Independence Ave. SW, Washington, DC 20250-1510. | The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunications Program debt.          | Eligible rural communities with a population of 20,000 inhabitants or less. The community cannot be located in a standard metropolitan statistical area. | Direct loans and loan guarantees. | Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of the assets financed. Loans are guaranteed at the interest rate set by the private lender for no more than 80% of the principal amount. |
| Community Connect                  | Provide financial assistance for broadband service in rural, economically-challenged communities where such service does not currently exist. | Legally organized entities providing or proposing to provide broadband service in eligible rural communities.  | The construction, broadband transmission facilities and equipment; land and buildings used in providing broadband service.  | Rural areas where no Broadband service currently exists.   | Grant                             | Minimum Grant is \$50,000, No maximum. Must serve only one community and deploy basic broadband transmission service, free of charge, for 2 years to all Critical Community Facilities located within proposed service area.  |
| Electric and Tele-communication    | Provide financial aid through direct and guaranteed loans for electric and telecommunications services.                                       | Non-profit and cooperative associations, public bodies, and other utilities. Contact USDA-RUS Administrator, STOP 1510, 1400 Independence Ave. SW, Washington, DC 20250-1510.  | Generation, bulk transmission facilities, and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable, along with traditional main system telecommunications service. | Rural areas.   | Direct loan or loan guarantee.    | Interest rates are established in accordance with 7CFR 17145.   |
| Distance Learning and Telemedicine | Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.              | Incorporated entities, including municipal corporations, on a for-profit or not-for-profit basis, that operate rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.   | Equipment for classrooms; cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, x-ray scanners, and digital microscopes.   | Rural areas.   | Direct loan and/or grant.         | Matching funds are required.  |

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# Summary of Program Purposes

|   | Land & Building | Mach. & Equip. | Working Capital | Infrastructure | Train/ Tech. |
|---|-----------------|----------------|-----------------|----------------|--------------|
| <b>RURAL HOUSING</b>                                |                 |                |                 |                |              |
| Single Family Housing - Direct loan                 | ●               |                |                 |                |              |
| Single Family Housing - Guaranteed loan             | ●               |                |                 |                |              |
| Single Family Housing Repair - Loan/grant           | ●               |                |                 |                |              |
| Rural Rental Housing - Guaranteed loan              | ●               |                |                 | ●              |              |
| Rural Rental Housing - Direct loan                  | ●               |                |                 | ●              |              |
| Farm Labor Housing - Loan/grant                     | ●               |                |                 | ●              |              |
| Housing Preservation - Grant                        | ●               | ●              | ●               | ●              | ●            |
| <b>RURAL BUSINESS</b>                               |                 |                |                 |                |              |
| Business & Industry - Guaranteed loan               | ●               | ●              | ●               | ●              |              |
| Rural Business Enterprise Grant                     | ●               | ●              | ●               | ●              | ●            |
| Intermediary Relending - Loan                       | ●               | ●              | ●               | ●              |              |
| Rural Economic Development Loan and Grant           | ●               | ●              | ●               | ●              | ●            |
| Rural Cooperative Development Grant                 |                 |                |                 | ●              | ●            |
| Value-Added Agricultural Product Market Dev. Grant  |                 |                | ●               | ●              | ●            |
| Rural Business Opportunity Grant                    |                 |                |                 | ●              | ●            |
| Renewable Energy/Energy Efficiency Grant            | ●               | ●              |                 | ●              | ●            |
| <b>RURAL INFRASTRUCTURE</b>                         |                 |                |                 |                |              |
| Water and Sewer - Loan/grant                        | ●               | ●              | ●               | ●              |              |
| Water and Sewer - Guaranteed loan                   | ●               | ●              | ●               | ●              |              |
| Solid Waste Management Grant                        |                 |                |                 |                | ●            |
| Pre-development Planning Grant                      |                 |                |                 | ●              | ●            |
| Native American Grants                              | ●               | ●              | ●               | ●              |              |
| Rural Broadband Loan and Loan Guarantee             | ●               | ●              |                 | ●              |              |
| Electric and Telecommunications - Direct/guar. loan | ●               | ●              |                 | ●              |              |
| Community Facilities - Direct loan/grant            | ●               | ●              | ●               | ●              |              |
| Community Facilities - Guaranteed loan              | ●               | ●              | ●               | ●              |              |
| Distance Learning & Telemedicine - Loan/grant       |                 | ●              |                 | ●              |              |

January 2008

\\PIC\Program Summary

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