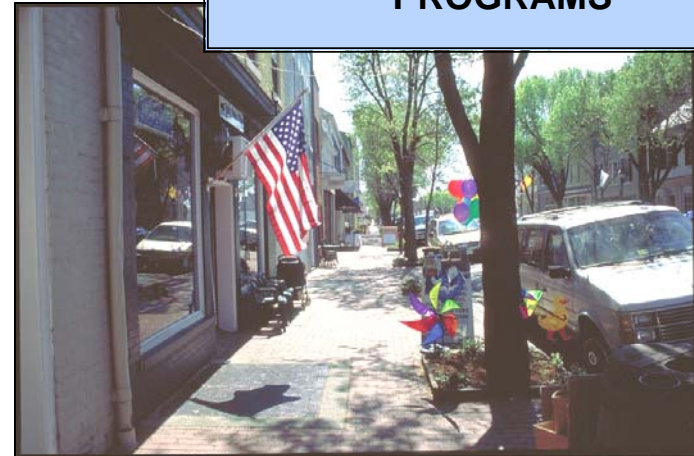




Committed to the future of rural communities.

**HOUSING
COMMUNITY
BUSINESS & COOPERATIVE
PROGRAMS**



Contact Your Local

USDA Rural Development Office-Nebraska

Visit: www.rurdev.usda.gov/ne

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Rev. 3/08

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Housing Programs

Direct Home Ownership Loans

Purposes: Purchase, construct, repair or rehabilitate single family homes including modular homes. For manufactured housing, only new construction can be funded.

Eligible Applicants: Individuals and families.

Terms and Conditions:

- Applicants must have an income below the low-income limit, have an acceptable credit history, meet the test of credit, show adequate repayment ability, and possess legal capacity.
- Very low-income applicants: 29 percent Principal, Interest, Tax, Insurance (PITI) and 41 percent Total Debt (TD) limits.
- Low-income applicants: 33 percent Principal, Interest, Tax, Insurance (PITI) and 41 percent Total Debt (TD) limits.
- Loan terms: 33 years (38 years in some cases), 30 years for manufactured housing at agency current full note rate.
- One hundred percent loan to value.
- Current maximum cost and loan amounts-Cass, Douglas, Lancaster, Sarpy, Saunders, Seward and Washington-\$160,000; Cheyenne, Gage, Madison, Otoe, Platte, Saline and Stanton-\$150,000; all other counties-\$140,000.
- Loan is secured by a note and deed of trust.
- Payment assistance (subsidy) is available to lower the monthly mortgage payment. Subsidy is reviewed annually, and is subject to recapture.
- Population limit is 20,000, however the communities of Norfolk and Columbus remain eligible for this program.

Business and Cooperative Programs

Energy Efficiency Improvements and Renewable Energy Systems Loan Guarantees

Purpose: Provide loan guarantees to lenders for the financing of energy efficiency improvements or renewable energy systems.

Eligible Applicants: Traditional lenders. Eligible borrowers include farmers, ranchers, and for-profit small businesses.

Terms and Conditions:

- Energy efficiency improvements to business facilities include insulation, windows, doors, HVAC, refrigeration, lighting, pumping/air/motor systems, etc.
- Renewable systems include wind, solar, biomass, biogas and geothermal.
- Maximum loan terms for real estate is 30 years; equipment 20 years; and working capital 7 years.
- Interest rate (fixed or variable) negotiated between applicant and lender.
- Guarantee percent based on loan amount and the risk of the project. Guarantee is 85 percent of the loan to \$600,000; 80 percent for loans \$600,000-\$5,000,000; and 70 percent on loans \$5,000,000-\$10,000,000.
- Guarantee cannot exceed 75 percent of the total eligible project costs.
- One time 1 percent guarantee fee and annual renewal fee.
- Minimum of 25 percent cash equity injection is required. For loans \$600,000 and less, a minimum of 15 percent cash equity injection is required.
- Business must be located in rural area or city population of 50,000 or less.

Business and Cooperative Programs

Energy Efficiency Improvements and Renewable Energy Systems Grants

Purposes: To develop energy efficiency improvement and renewable energy projects.

Eligible Applicants: Farmers, ranchers, and for-profit small businesses.

Terms and Conditions:

- Energy efficiency improvements to business facilities include insulation, windows, doors, HVAC, refrigeration, lighting, pumping/air/motor systems, etc.
- Renewable systems include wind, solar, biomass, biogas and geothermal.
- Grants are available for up to 25 percent of the eligible project costs.
- Renewable Energy Systems Grants:
\$2,500 minimum; \$500,000 maximum
- Energy Efficiency Improvements Grants:
\$1,500 minimum; \$250,000 maximum
- Business must be located in rural area or city population of 50,000 or less.

Housing Programs

Guaranteed Home Ownership Loans

Purposes: Construct new or purchase an existing single family home, including modular. Funds for repairs can be included with the purchase of an existing home. For manufactured housing, only new construction can be funded.

Eligible Applicants: Individuals and families.

Terms and Conditions:

- Applicants must have an income below the moderate-income limit, meet the test of credit, show need, possess legal capacity, and meet credit history requirements.
- 29 percent Principal, Interest, Taxes, Insurance (PITI) and 41 percent Total Debt (TD) limits.
- Loan funds are provided via approved lenders.
- Rural Development provides 90 percent guarantee on loan funds.
- Loan term is 30 years at a fixed interest rate.
- Guarantee fees are 2 percent for purchase and .5 percent to refinance.
- One hundred percent loan to value.
- There are no maximum mortgage or loan limits.
- Loans are secured by a note and deed of trust.
- Population limit is 20,000, however the communities of Norfolk and Columbus remain eligible for this program.

Housing Programs

Rural Home Repair Loans and Grants

Purpose: Make necessary repairs to owner-occupied homes (i.e. roof, windows, plumbing, electrical, heating, etc.).

Eligible Applicants: Very low-income owner-occupants. For grants, the homeowner must be at least 62 years old and be unable to repay a one percent repair loan. Combination loans and grants can be considered.

Terms and Conditions:

- Homeowner must meet the test of credit, have an acceptable credit history, and meet legal capacity requirements.
- The term of loan cannot exceed 20 years.
- The interest rate of the loan is 1 percent.
- Maximum loan amount is \$20,000 (outstanding).
- Loan is secured by note and/or deed of trust* (*required for \$7,500 and more).
- Loans are made for health and safety and general updating/remodeling of a home.
- Maximum grant is \$7,500 (lifetime assistance).
- Grant agreements are required.
- Grants are used to remove health and safety hazards.
- Population limit is 20,000, however the communities of Norfolk and Columbus remain eligible for this program.

Business and Cooperative Programs

Value-Added Producer Grants

Purposes: Help producers of agricultural commodities to develop business plans for viable marketing opportunities and to develop strategies to create marketing opportunities in emerging markets.

Eligible Applicants: Individual and group ag producers, farm and ranch cooperatives and majority-controlled producer-based business ventures.

Terms and Conditions:

- Must meet grant's value-added activities eligibility, increase revenues to producer-owner and increase markets for the agricultural product.
- Maximum grant is \$100,000 for planning and \$300,000 for working capital.
- Dollar for dollar matching requirement.
- Can be used for planning OR working capital purposes. Cannot fund buildings and equipment.
- Funding competed for nationally via annual Notice of Solicitation of Applications (NOSA).

Business and Cooperative Programs

Rural Cooperative Development Grants

Purpose: Establish and operate cooperative development centers to improve rural economic conditions via development of new cooperatives and multi-owner businesses and improving existing cooperative operations.

Eligible Applicants: Nonprofit corporations including institutions of higher education.

Terms and Conditions:

- Eligible applicants must demonstrate a track record in providing hands-on technical assistance.
- Maximum application is \$300,000.
- 25 percent matching funds are required.

Housing Programs

Rural Housing Site Loans

Purpose: Purchase land and develop sites for very low, low and moderate-income housing.

Eligible Applicants: Public or private non-profits.

Terms and Conditions:

- Lots are sold to very low, low and moderate-income households.
- Need for proposed lots must be shown.
- Two year loan at current agency interest rate.
- Deed of trust is required.
- A 3 percent interest rate site loan is available to entities to develop lots to be used in the Self-Help Technical Assistance Grant program.

Technical Assistance For Self-Help Housing

Purpose: Provides eligible entities with grants to finance technical and supervisory assistance programs for mutual self-help housing development.

Eligible Applicants: Public bodies and public or private non-profit corporations.

Terms and Conditions:

- Applicant must show that self-help housing is needed in the area.
- Applicant must show that services and equipment to be paid with grant cannot be financed from other sources.
- Grant period will generally not exceed 24 months.

(Mutual Self-Help Housing is a construction method where participating families, organized in groups of 6-10 families, utilize their own labor to reduce total construction costs of their homes. Construction work is completed by exchange of labor with each other. Financing for materials and hired skilled labor is generally through the direct home ownership loan program.)

Housing Programs

Rural Rental Housing Loans

Purposes: Construct or rehabilitate apartment housing units.

Eligible Applicants: Individuals, non-profits, state or local public agencies, partnerships, corporations, including limited liability companies and Indian Tribes.

Terms and Conditions:

- Applicant must meet the test of credit, possess legal capacity, have an acceptable credit history, and meet financial and management capacity requirements.
- Project need must be shown.
- Projects are designated elderly or family.
- Funding competed for nationally through an Annual Notice of Funding Availability (NOFA).
- Loan term is 30 years maximum with amortization up to 50 years for affordability.
- 95-100 percent loan to value.
- Tenants are very low, low and moderate-income.
- Subsidies lower the tenant's monthly contribution. Rental assistance (deep subsidy) may also be available.
- Population limit is 20,000, however the communities of Norfolk and Columbus remain eligible for this program.

Business and Cooperative Programs

Cooperative Services

Purposes: Helps rural residents form cooperatives and multi-owner businesses. Improves existing cooperatives' operations. Provides technical assistance and cooperative-related research. Assists in forming partnerships fostering value-added agriculture.

Eligible Applicants: New or existing cooperatives and multi-owner businesses.

Terms and Conditions:

- Rural Development staff can identify potential cooperative functions and best business and governance practices. Provide cooperative director training and technical assistance to existing cooperatives facing specific problems/challenges i.e. help to develop strategic marketing plan to cope with new competitive forces, help cooperative make decision whether to merge or to form a joint venture, and assist in finding a way to turn raw products into value-added products.

Business and Cooperative Programs**Rural Economic Development Loans and Grants**

Purpose: Wide range of rural economic development projects i.e. business expansion and start-up, community development, incubator, medical, training and technology projects, revolving loan funds.

Eligible Applicants: USDA Rural Development electric and telephone program borrowers.

Terms and Conditions:

- Projects are based on sound analysis.
- Must be for rural area projects that promote economic productivity and job creation.
- Maximum loan term is 10 years with zero percent interest.
- Minimum loan and grant amounts are \$10,000 with maximum amounts subject to the availability of funds.
- 20 percent supplemental funding is required.

Housing Programs**Guaranteed Rural Rental Housing Loans**

Purposes: Construct new, acquire and rehabilitate existing, or rehabilitate existing Rural Development financed apartment housing units.

Eligible Applicants: Individuals, corporations, state or local public agencies, Indian Tribes, general or limited partnerships, and limited liability companies.

Terms and Conditions:

- Loan funds are provided via eligible lenders with an USDA Rural Development guarantee for up to 90 percent of the funds.
- Maximum loan term is 40 years.
- Interest rate is negotiated between the lender and borrower and will not exceed the maximum rate stated in the Notice of Funding Availability (NOFA) for the year the loan was obligated.
- Loan to value ratio cannot exceed 97 percent for non-profit entities and Indian Tribes and 90 percent for all others.
- Funding competed for nationally through an Annual Notice of Funding Availability (NOFA).
- Population limit is 20,000, however the communities of Norfolk and Columbus remain eligible for this program.

Housing Programs

Housing Preservation Grants

Purpose: Provide recipient organization (grantee) with the funding to develop a program to help repair individual housing, rental properties or co-ops owned and/or occupied by very low and low-income households.

Eligible Applicants: Non-profits, public bodies and Indian Tribes.

Terms and Conditions:

- Recipient organizations are required to find leveraging sources.
- Recipient organizations must have the ability to administer a low-income housing rehabilitation program.
- Funding competed for nationally through an Annual Notice of Funding Availability (NOFA).

Direct Farm Labor Housing Loans and Grants

Purpose: Provide housing and related facilities for domestic farm laborers. Housing can be off-farm or on the farm.

Eligible Applicants: Broad-based nonprofit organizations, nonprofit organization of farm workers, Federally recognized Indian Tribes, agencies or political subdivisions of state or local government, individual farmers, family farm partnerships or corporations and farmer associations.

Terms and Conditions:

- Loan term: 33 years at 1 percent or full market interest rate depending if the applicant can obtain credit elsewhere.
- Grants available to nonprofits or political subdivisions only.

Business and Cooperative Programs

Rural Business Enterprise Grants

Purpose: Facilitate and finance the development of small and emerging rural, private business enterprises by providing technical assistance; acquiring land, buildings, and infrastructure that enhance business development; and by establishing revolving loans, etc.

Eligible Applicants: Public bodies, nonprofits and Indian Tribes.

Terms and Conditions:

- Priority given to applications with matching funds of 5 percent or more.
- Not for agricultural production, comprehensive area planning or projects not owned or controlled by at least 51 percent of U.S. citizens.
- Population limit is 50,000 with priority on populations 25,000 or less.

Rural Business Opportunity Grants

Purposes: Provide technical assistance for business development and to conduct economic planning in rural areas.

Eligible Applicants: Public bodies, non-profits, cooperatives, and Indian Tribes.

Terms and Conditions:

- Promotes economic development that is sustainable over the long term through local effort; and leads to the improvement of the quality of economic activity in the community.
- Priority given to applications with matching funds of 25 percent or more.
- Population limit is 50,000.

Business and Cooperative Programs

Intermediary Relending Program

Purpose: Provides intermediary loans to ultimate recipients for community development projects, establishment and expansion of businesses, creating and/or saving jobs, etc.

Eligible Applicants: Public bodies, nonprofits, Indian Tribes and cooperatives.

Terms and Conditions:

- Loan terms: 30 years at 1 percent interest rate.
- Intermediary establishes revolving loan fund and provides funds to ultimate recipient businesses.
- Loan terms are negotiated between intermediary and recipient.
- Population limit is 25,000.

Community Programs

Community Facilities Loans and Grants (Direct or Guaranteed)

Purposes: For community service facilities, i.e. fire and rescue buildings and equipment, streets, utilities, community centers, libraries, senior citizen centers, day-cares, airports, industrial parks, hospitals, clinics, nursing homes, assisted living facilities, etc.

Eligible Applicants: Non-profit groups, public entities i.e. municipalities, counties, nonprofit corporations, special purpose districts, and Indian Tribes.

Terms and Conditions:

- Loan term is 40 years or for the life of the security.
- Bonds and notes must provide adequate security.
- Interest rates are comparable to current municipal bond rates (lower for low-income communities) and based on the median household income (MHI) of the service area.
- Test of credit is required.
- Guaranteed loan funds are provided from the lender. Loan terms are negotiated with the lender.
- USDA Rural Development guarantees loan funds normally up to 80 percent with an 1 percent fee.
- Unable to guarantee tax-exempt bond issues.
- For grants, the population served by the facility cannot have a MHI more than 90 percent of the state non-metropolitan MHI.
- To receive a grant, the applicant must be unable to finance the project from their own resources or via loan assistance.
- Grant funds are limited by a community's population, service area MHI and are provided on a graduated basis from 15-75 percent of the eligible project costs.
- Population limit is 20,000.

Community Programs

Rural Community Development Initiative

Purpose: Provide technical assistance to recipients to develop or increase their capacity to undertake housing, community facilities, and community and economic development projects.

Eligible Applicants: Private, nonprofits, public organizations and Federally recognized Indian Tribes.

Terms and Conditions:

- Applicant must be in existence for 3 years prior to the submission of an application.
- Intermediary required to provide 50 percent cash match.
- Intermediary has 3 years to utilize the monies.
- Intermediary organization provides financial and technical assistance to multiple recipients and beneficiaries located in communities with populations 50,000 or less.
- Recipients are nonprofit community based housing and development organizations, low-income rural communities, or Federally recognized Tribes.
- Communities served must have median household incomes (MHI) at or below 80 percent of the state or national MHI.
- Minimum grant is \$50,000 and maximum is \$500,000.
- Funding competed for nationally through an Annual Notice of Funding Availability (NOFA).

Business and Cooperative Programs

Business and Industry Loan Guarantees

Purposes: For business and industrial development to create and maintain employment, expand and improve economic climate i.e. business and industrial acquisition, construction, enlargement, real estate, modernization, buildings, equipment, and working capital.

Eligible Applicants: Traditional lenders. Eligible borrowers include individuals, partnerships, nonprofits, corporations, LLCs, Indian Tribes, cooperatives, etc.

Terms and Conditions:

- Maximum loan term for real estate is 30 years; equipment 15 years; and working capital 7 years.
- Interest rate (fixed or variable) is negotiated between the applicant and the lender.
- One time 2 percent guarantee fee plus annual renewal fee.
- 80 percent guarantee on loans up to \$5 million; 70 percent on \$5-\$10 million; and 60 percent on \$10-\$25 million.
- The guarantee percentage is based on the risk of the business and the total amount of the loan request.
- Minimum tangible net worth required is 10 percent for existing businesses and 20 percent for new businesses.
- Bioenergy based projects must have at least a 25 percent equity requirement.
- Population limit is 50,000.

Utilities Programs

Distance Learning and Telemedicine Loans and Grants

Purposes: Provide technological equipment and facilities to link rural schools within regions and to other educational institutions; to utilize rural libraries as distance learning centers; to link rural hospitals and medical clinics to medical centers; and to provide interactive video and distance rural health training.

Eligible Applicants: Rural schools, libraries, hospitals, health care clinics and related organizations.

Terms and Conditions:

- Loan and grant combination minimum amount is \$50,000.
- Loan only minimum amount is \$50,000.
- Both loan and grant combinations and loans are non-competitive application processes accepted year round.
- Minimum amount for a grant is \$50,000 and the maximum amount is \$500,000.
- Grants require a match.
- Grant funding competed for nationally through an Annual Notice of Funding Availability (NOFA).

Community Programs

Water and Waste Disposal Loans and Grants

Purposes: Water and waste disposal, solid waste and storm drainage including water and waste development costs (i.e. construction, improvements, equipment, facilities, land rights, engineering, fees, etc.).

Eligible Applicants: Municipalities, special purpose districts, Indian Tribes, and nonprofits.

Terms and Conditions:

- Term of loan is 40 years or for the life of the security at interest rates comparable to current municipal bond rates (lower for low-income communities) based on the median household income of the service area.
- Security is in the form of government owned bonds, revenue bonds, notes, mortgages, etc.
- Grants may be available to reduce the costs and rates to a reasonable level for users.
- Test of credit is required.
- Systems are generally expected to be self sufficient.
- Population limit is 10,000.

Technical Assistance and Training Grants

Purposes: To identify and evaluate the solutions to water and wastewater problems of rural associations relating to water source, storage, treatment and distribution; and waste collection, treatment and disposal.

Eligible Applicants: Private nonprofit organizations.

Terms and Conditions:

- Technical assistance and training grants can assist associations who have filed a preapplication with the agency in preparation of water and/or waste loan and/or grant applications.
- Other purposes include training to association personnel to improve management, operation and maintenance of water and waste disposal facilities; and to pay expenses associated with providing technical assistance and/or training.
- Applications are accepted October 1-December 31.

Solid Waste Management Grants

Purposes: To reduce or eliminate pollution of water resources and improve the planning and management of solid waste sites in rural areas.

Eligible Applicants: Private nonprofit organizations and public bodies including local governmental-based jurisdictional organizations.

Terms and Conditions:

- To evaluate current landfill conditions, provide technical assistance and/or training to enhance operator skills in the operation and maintenance of active landfills, and to provide technical assistance and/or training to help communities reduce solid waste stream.
- Provide technical assistance and/or training to operators of landfills which are closed or will be closed in the near future with the development and implementation of closure plans, future land use plans, safety and maintenance planning and closure scheduling within permit requirements.
- Applications are accepted October 1- December 31.