

Committed to the future of rural communities.



Rural Development

Housing Programs

All housing programs are eligible for individuals and families located in rural areas with populations of 20,000 or less.*

Program	Objective	Applicant	Uses	Loan/Grant	Terms/Conditions
Single Family Home Ownership Direct Loans (Section 502)	Safe, well-built, affordable homes for rural Americans.	<ul style="list-style-type: none"> Families Individuals Apply to Rural Development 	Buy, build, improve, repair, or rehabilitate a rural home as the applicant's permanent residence.	Direct loan and grant.	<ul style="list-style-type: none"> Up to 100% of market value or cost, whichever is less. Loan amortized for 33/38 years. Possible eligibility for subsidy on the loan.
Single Family Home Ownership Guaranteed Loans (Section 502)	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	<ul style="list-style-type: none"> Families Individuals Apply to lender 	Purchase a new or existing home.	Loan guarantee.	<ul style="list-style-type: none"> 30-year, fixed rate. Interest negotiated between lender and borrower. Loans up to 100% of market value.
Single Family Home Ownership Direct Repair Loans & Grants (Section 504)	To help very-low-income homeowners remove health and safety hazards or to repair their homes.	<ul style="list-style-type: none"> Families and individuals who are current home owners Apply to Rural Development 	Repair or replace a roof, winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses.	Direct loan and grant.	<ul style="list-style-type: none"> Loan terms to 20 years at 1 percent. Individual assistance may not exceed \$27,500 with combined loan/grant. Grants available to very-low-income applicants 62 years or older who cannot afford to pay a 1 percent loan.
Mutual Self-Help Housing Grants (Section 523)	Assist lower income families in building their own homes.	<ul style="list-style-type: none"> Non-profits Public bodies Apply to Rural Development 	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Grant.	<ul style="list-style-type: none"> Grant agreement.
Rural Rental Housing Direct Loans (Section 515)	Safe, well-built, affordable rental housing for very-low, and low income individuals and families.	<ul style="list-style-type: none"> Individuals Limited profit Non-profit Apply to Rural Development 	New construction or rehabilitation of rural rental housing.	Direct Loan.	<ul style="list-style-type: none"> Up to 100% of total development cost (non-profits); 97% (for-profits). 30-year term, up to 50-year amortization. For-profit organizations with Low-Income Housing Tax Credits, 95% of total development costs.
Farm Labor Housing* (Section 514 & 515)	Safe, well-built, affordable rental housing for farm workers.	<ul style="list-style-type: none"> Individuals Public and private non-profit organizations Apply to Rural Development 	New construction or substantial rehabilitation of rural rental housing.	Direct loan and grant.	Up to 102% of total development cost. Up to 33 years to repay at 1 percent interest.
Rural Rental Housing Guaranteed Loans (Section 538)	Safe, well-built, affordable rental housing for low to moderate income individuals and families.	<ul style="list-style-type: none"> Individuals, partnerships, limited liability companies, trusts, state/local agencies, and Indian Tribes. Apply to Lender 	New construction or substantial rehabilitation of rural rental housing.	Loan guarantee.	Up to 90% loan value for loans made to for-profit entities, and up to 97% loan to value for loans made to non-profit entities. Repayment terms are 25 to 40-year amortization.
Housing Preservation Grants (Section 533)	Repair and rehabilitate housing owned or occupied by very-low and low-income rural families.	<ul style="list-style-type: none"> Public bodies Non-profit organizations Apply to Rural Development 	Operation of a program which finances repair and rehabilitation activities for single family and small rental properties.	Grant.	Grant agreement.

Community Facilities & Utilities Programs

The Community Facilities Program is eligible for individuals and families located in rural areas with populations of 20,000 or less.

Program	Objective	Applicant	Uses	Loan/Grant	Terms/Conditions
Community Facilities (Faith-Based and First Responder)	Provide essential community facilities for rural communities.	<ul style="list-style-type: none"> Public bodies Non-profit organizations Indian Tribes Apply to Rural Development 	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Direct loan or loan guarantee; grant.	<ul style="list-style-type: none"> Up to 100% of market value. Up to 40 years or life of security. Maximum grant is 75% of project cost.
Water and Waste Disposal Loans & Grants *Rural areas, cities, and towns with up to 10,000 population are eligible.	Provide water and waste financing in rural areas to the most financially needy applicants resulting in reasonable user fees.	<ul style="list-style-type: none"> Public bodies Non-profit organizations Indian Tribes Apply to Rural Development 	Build, repair, and improve public water systems, and waste collection and treatment systems. Also other related costs.	Direct loan and grant.	<ul style="list-style-type: none"> Quarterly set interest rates based on an index of current market yields for municipal obligations. Max repayment period of 40 years. Grant funds may be available.
Water and Waste Disposal Loan Guarantees *Rural areas, cities, and towns with up to 10,000 population are eligible.	Provide loan guarantees to lenders serving financially needy applicants.	<ul style="list-style-type: none"> Public bodies Non-profit organizations Indian Tribes Apply to Rural Development 	Build, repair, modify, expand, and improve water supply and distribution systems, and waste collection and treatment systems. Also other related costs.	Loan guarantee.	<ul style="list-style-type: none"> Eligible lenders obtain up to a 90% guarantee on loans they make and service. Lenders should contact Rural Development Area or State Office.
Solid Waste Management Grants *Rural areas, cities, and towns with up to 10,000 population are eligible.	Provide technical assistance and/or training to help communities reduce or eliminate water resource pollution and improve planning and management of solid waste sites.	<ul style="list-style-type: none"> Public bodies Non-profit organizations Apply to Rural Development 	Provide technical assistance and training to help reduce water resource pollution and improve management of solid waste sites.	Grant.	<ul style="list-style-type: none"> Projects are funded based on selection at the National level. Applications are accepted from October 1 to December 31 of each year.
Rural Broadband Loans and Loan Guarantees *Eligible rural communities with a population of 20,000 or less.	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 telephone subscriber lines in the U.S.	The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunication Program debt.	Direct loan and loan guarantee.	<ul style="list-style-type: none"> 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.
Electric and Telecommunications Loans and Guarantees *Electric: rural areas defined by U.S. Census; Telecommunications: rural areas with populations of 5,000 or less.	Provide financial aid through direct and guaranteed loans for electric and telecommunications services.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities. Apply directly to Rural Development National Office.	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/broadband service.	Direct loan and loan guarantee.	<ul style="list-style-type: none"> Interest rates are established in accordance with 7 CFR 1745.
Rural Broadband Loans and Loan Guarantees *Eligible rural communities with a population of 20,000 or less.	Development and deployment of advanced telecommunication services throughout rural America to improve education and health services.	Incorporated entities, including municipal corporations, on a for profit or non-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, ex-ray scanners, and digital microscopes.	Direct loan and/or grants.	<ul style="list-style-type: none"> Matching funds are required.

Business & Cooperative Programs

* Available to any area other than a city or town that has a population of greater than 50,000 inhabitants, and the urbanized area contiguous and adjacent to such a city or town.

** Available to any rural areas and incorporated places with populations of less than 25,000.

Program	Objective	Applicant	Uses	Loan/Grant	Terms/Conditions
Business and Industry Loan Guarantees (B&I)* Apply to Lender	Create jobs and stimulate rural economies by providing guarantees on loans to rural businesses.	<ul style="list-style-type: none"> Federal/State chartered banks Savings & Loan associations Farm credit institutions 	Most business purposes except production agriculture. Includes acquisition, start-up, and expansion of businesses that improve economic climate and create rural employment.	Loan guarantee.	<ul style="list-style-type: none"> Lender and borrower negotiate rate and term. Minimum 10% tangible equity needed for existing business, 20% for a start-up.
Intermediary Relending Program (IRP)** Apply directly to Rural Development	One-percent 30-year loans to intermediaries for the benefit of businesses in rural areas.	<ul style="list-style-type: none"> Public bodies Private non-profit corporations Native American tribes Cooperatives 	Gap financing for rural businesses to help create or save jobs.	Direct loan.	<ul style="list-style-type: none"> 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 Business Enterprise Grants (RBEG)* Apply directly to Rural Development	Finance and facilitate the development of small and emerging business enterprises.	<ul style="list-style-type: none"> Public bodies Private non-profit corporations Federally recognized Native American tribal groups. 	Buy/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.	Grant.	<ul style="list-style-type: none"> When grant funds are used for evolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Rural Business Opportunity Grants (RBOG)* Apply to lender	Finance technical assistance for business development and conduct economic development planning in rural areas.	<ul style="list-style-type: none"> Public bodies Non-profit corporations Indian tribes on Federal/State reservations Cooperatives with members that are primarily rural residents. 	Technical assistance, revolving loans, or public infrastructure projects on behalf of private businesses.	Grant.	<ul style="list-style-type: none"> Must be completed within 2 years after project has begun.
Rural Economic Development Loans and Grants (REDLG) ***Priority goes to rural areas with 2,500 or less Apply directly to Rural Development	Finance economic development and job creation in rural areas.	<ul style="list-style-type: none"> Electric cooperatives and telephone utilities eligible for financing from the Rural Utilities Service. 	Promote rural economic development and/or job creation projects including feasibility studies, startup costs, and business incubators.	Direct loan and revolving loan fund grant.	<ul style="list-style-type: none"> The intermediary (electric cooperative 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 (RCDG)* Apply directly to Rural Development	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 co-ops.	<ul style="list-style-type: none"> Non-profit corporations Institutions of higher education. 	To conduct feasibility studies, business plans, and applied research as well as provide training and other technical assistance to new and existing cooperatives and businesses.	Grant.	<ul style="list-style-type: none"> Applicants must meet specific selection criteria including a minimum 25% fund match. Grants are awarded on a competitive basis.
Small, Socially Disadvantaged Producer Grants (SSDPG) Apply directly to Rural Development	Technical Assistance.	<ul style="list-style-type: none"> Cooperatives or associations of a co-op whose primary focus is to provide assistance to small, socially disadvantaged producers (e.g. minorities and women) and whose governing board and/or membership is comprised of at least 75% minority or women. 	To conduct technical assistance such as market research, product and/or service improvement; legal advice and assistance; feasibility study, business plan and marketing plan development; and training.	Grant.	Applicants must meet specific selection criteria and grants are awarded on a competitive basis. Funds are to be used only for Technical Assistance. There are no matching requirements for this program.

Business & Cooperative Programs (cont'd)

*Available to any area other than a city or town that has a population of greater than 50,000 inhabitants, and the urbanized area contiguous and adjacent to such a city or town.

**Available to any rural areas and incorporated places with populations of less than 25,000.

Program	Objective	Applicant	Uses	Loan/Grant	Terms/Conditions
Value-Added Producer Grants (VAPG) ***NO population restriction Apply directly to Rural Development	Assist agricultural producers to enter into activities that add value to their commodities.	<ul style="list-style-type: none"> Independent ag producers Farmer/rancher cooperatives Agricultural producer groups Majority-controlled producer-based business ventures. 	Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start the operations of a venture.	Grant.	<ul style="list-style-type: none"> 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 Energy for America Program (REAP)* Apply directly to Rural Development	Finance the purchase of renewable energy systems, and make energy efficiency improvements.	<ul style="list-style-type: none"> Agricultural producers Rural small businesses 	Construction or improvements, purchase and installation of equipment, energy audits, permit fees, professional service fees, business plans, feasibility studies. No real estate.	Loan guarantee and grant.	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis and cannot exceed 25% of eligible project costs. Guaranteed loans cannot exceed 75% of eligible project costs.
Energy Audit and Renewable Energy Development (REAP)* Apply directly to Rural Development	Energy audits & renewable energy development assistance for farmers and rural businesses.	<ul style="list-style-type: none"> Units of government Institutions of higher education RECs 	Grants to assist applicants with renewable energy audits and assistance up to 75% of need for REAP - eligible applicants.	Grants of up to \$100,000 per applicant.	<ul style="list-style-type: none"> Field representatives. Selections made annually in Washington D.C.
BioRefinery Assistance Program (Section 9003)* Apply to lender	To assist in the development of new and emerging technologies for the development of advanced biofuels.	<ul style="list-style-type: none"> Commercial-scale biorefineries for advanced biofuels (non-corn starch); institutions of higher education, co-ops, National labs, state research agencies, private and non-profit corporations. 	Construction or retrofitting of biorefineries including wood products and sugar mills to produce advanced biofuels (e.g. form cellulose).	Loan guarantee of up to \$250 million.	<ul style="list-style-type: none"> Lender and borrower negotiate terms. 10-20 percent minimum equity. Feasibility study. Selections made annually in Washington D.C.
Repowering Assistance Program (Section 9004)* Apply directly to Rural Development	Refinancing existing ethanol, biodiesel or other biorefineries to use less coal, oil or natural gas.	<ul style="list-style-type: none"> Biorefineries in existence as of June 18, 2008. 	Construction or retrofitting of existing biorefineries, including wood products and sugar mills, to replace fossil fuels with biomass for heat or energy.	Up to \$5 million or 50% of cost of retrofit - whichever is less.	<ul style="list-style-type: none"> No equity required. Contact USDA Rural Development energy division, Washington D.C. (202) 720-1400. Selections made annually in Washington D.C.
Advanced Biofuels Producer Payment Program (Section 9005)* Apply directly to Rural Development	Payments to biorefineries producing advanced biofuels (non-corn starch based; liquid or gas, not solid).	<ul style="list-style-type: none"> Individuals For-profits / nonprofits Other entities already producing advanced biofuels. 	Contracts for one payment to expand production of advanced biofuels (e.g. non-corn starch based, such as cellulose) during the period after 10/1/08.	Grants based on BTUs produced by eligible applicants.	<ul style="list-style-type: none"> No equity required. Field Representatives. Selections made annually in Washington D.C.
Research on the Economic Impact of Cooperatives (REIC) ***No population restrictions Apply directly to Rural Development	Encourages research on national economic impact of all types of cooperatives.	<ul style="list-style-type: none"> Institutions of higher ed. Research foundations Nonprofits maintained by colleges or universities. 	Cooperative agreement funded on a reimbursement basis, quarterly, over a two-year period.	One grant of up to \$500,000, usually.	<ul style="list-style-type: none"> Project must be completed within three years. Contact: Apply at www.grants.gov Selections made annually in Washington D.C.

Business & Cooperative Programs (cont'd)

Program	Objective	Applicant	Uses	Loan/Grant	Terms/Conditions
Cooperative Agreements for Heir Property Rural areas, but not defined.	Funds to help with problems on clouded titles of rural land held by African Americans.	<ul style="list-style-type: none"> Non-profit community-based organizations. 	Pilot program to help with clouded titles on heir property of African Americans and to expand ownership of farming heir property.	\$20,000 initial, \$75,000 subsequent. Selections made in Washington D.C.	No equity required Contact: Apply at www.grants.gov .
Rural Microentrepreneur Assistance Program (RMAP)			Announcement in 2010.		

Office Locations

State Office

St. Paul - (651) 602-7800

Northwest Area

Detroit Lakes - (218) 847-9392, ext. 4
 Thief River Falls - (218) 681-2843, ext.4
 Alexandria - (320) 763-3191, ext. 4

Southwest Area

Marshall - (507) 532-3234, ext. 4
 Worthington - (507) 372-7784, ext.4
 Willmar - (320) 235-5612, ext. 4

East Central Area

Cambridge - (763) 689-3354, ext. 4

Northeast Area

Baxter - (218) 829-5965, ext. 4
 Virginia - (218) 741-3929, ext.4
 Bemidji - (218) 751-1942, ext. 4

Southeast Area

Faribault - (507) 332-7418, ext. 4
 Austin - (507) 437-8247, ext.4