



United States
Department of
Agriculture

Rural Development

USDA Rural Development



Pennsylvania 2016 Progress Report

“To increase the economic opportunity and improve the quality of life for all rural Americans”



Front Cover, clockwise from top left: Oxford Townhomes, Business Administrator Sam Ridders at Tuscarora Organic Growers Cooperative, Undersecretary Lisa Mensah visits Leg Up Farm, Secretary Tom Vilsack speaks at White House Rural Council in State College

Inside Cover, clockwise from top left: Weinberg Regional Food Bank, greenhouse at Project SHARE, East Berlin Community Library, Site Manager of the Year Award issued to Lisa Mechling of Titusville Apartments



When I was sworn in as Secretary of Agriculture in January 2009, rural America was beginning to feel the devastating impact of the Great Recession. Rural counties were shedding 200,000 jobs per year, rural unemployment stood at nearly 10 percent, and poverty rates reached heights unseen in decades. Many rural communities were facing stagnant wages, outmigration, and a critical shortage of investment capital.

Over the course of the Obama Administration, USDA has made targeted Federal investments in rural areas to create jobs, generate economic opportunity, and strengthen rural communities. This Progress Report outlines how USDA Rural Development (RD) has invested in rural America's remarkable comeback. Key economic indicators continue to show that rural America is rebounding. Rural unemployment has continued to decline, dropping below 6 percent in 2015 for the first time since 2007, and rural poverty rates have fallen. Median household incomes in rural areas increased by 3.4 percent in 2015, and rural populations have stabilized and are beginning to grow. Child food insecurity nationwide is at an all-time low.

USDA RD has been a leader in providing the investments to address rural America's economic challenges. From housing to renewable energy, essential community facilities to high speed broadband, water systems to electric lines with smart grid technology—RD has helped prepare rural America for the 21st Century economy.

Since 2009, RD has helped 1.2 million rural Americans buy, refinance, or repair their homes, and it has helped ensure safe, affordable rental housing for hundreds of thousands of seniors, people with disabilities, farmworkers, and other low-income rural families. Six million rural Americans now have access to high speed broadband thanks to RD. We've invested \$12 billion in more than 10,530 essential community projects like schools, hospitals, public safety facilities, and community centers. More than 107,000 rural businesses have received loans or grants, creating more than 791,000 jobs. Our water program has funded \$13.9 billion for nearly 5,825 projects, providing safe water to 19.5 million rural residents.

RD is also responding to the heroin and prescription opioid crisis, making transitional housing available to rural Americans in recovery, funding telemedicine projects to improve access to treatment in remote areas, and supporting healthcare facilities, including mental healthcare centers. As an example, this report tells the story of how RD is helping the community of Harrington, Delaware, assist those in need of treatment begin the path to recovery.

None of this would have been possible without the dedication, innovation, and hard work of the men and women of USDA Rural Development. Together with our national office staff in Washington and St. Louis, our staff in RD offices across the country have been creative and effective partners with local lenders, community leaders, and small businesses. They are exemplary public servants who, in spite of workforce reductions, been more productive in these past eight years than at any time in the history of this Department. I am proud to serve with them.

The future of rural America looks much brighter today than when President Obama took office. The results highlighted in this report demonstrate how long-term government investment and positive partnerships with public institutions are central to rural America's continued progress.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas J. Vilsack
Secretary of Agriculture



Thriving rural communities contribute to the prosperity of our entire nation, and throughout the last 80 years USDA Rural Development (RD) and its predecessor agencies have been committed to the success of rural America.

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This year's *Progress Report* is an opportunity to share the great work that RD has done, and I am proud of our accomplishments.

About 15 percent of the population—46 million people—are living in rural America. Rural America plays a key role in the national economy, producing food and other goods that are vital to the rest of the country. RD's investments in infrastructure and agriculture help rural America grow, and that growth contributes to the prosperity of the entire nation.

RD's Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS) and Rural Utilities Service (RUS) have had many successes over the last year, and RD is committed to provide the financial support and technical expertise to help rural America thrive. This has been an historic year for Rural Development with record-breaking investments in our core programs in housing, utilities, and business.

As we look back, we celebrated the 80th anniversary of the Rural Electrification Act, which brought power to the people of rural America. And looking forward to rural America's next great infrastructure challenge, we also celebrated completing work on broadband projects funded through the American Recovery and Reinvestment Act. These projects brought broadband access to nearly six million rural Americans' homes, schools and businesses. While we are proud of these efforts, we know that there is much more work to be done if we are to meet this challenge which is as critical to the 21st Century's economy as electricity was to the 20th Century.

Thanks in part to the Recovery Act, Rural Development investments, and the hard work and resilience of her people, rural America as a whole is seeing job and income growth for the first time since the Great Recession of 2008. We are also realizing a reverse in outmigration from rural areas and lower rates of poverty. But too many rural communities have not yet fully shared in that recovery. There is more work to be done.

This year, building on place-based, economic development initiatives like StrikeForce and Promise Zones, we began a ground-breaking Community Facilities (CF) re-lending effort. In this innovative approach to economic development, we partnered with community-based financial organizations, private sector banks and philanthropic organizations to make more than \$400 million available for game-changing investments targeted to lift up America's rural areas that have struggled to overcome persistent poverty. This long-term, low-interest rate financing will unlock rural communities' economic potential. As we have seen from our CF direct loan program, which this year set an all-time record \$2.2 billion in investments, improved rural communities' education, healthcare and public safety facilities serve as a catalyst for growth. These investments, like the \$54.6 million loan to renovate the Fulton County Health Center in Wilmington, Ohio, not only provide critical access to life-saving medical care for rural residents, they are the hub around which a community can create jobs, attract homeowners, and build an economic future.

Since 2009, RHS helped more than 1.2 million rural families buy, refinance and maintain homes with more than \$155 billion in investments. Thanks to our partners in private sector, the RHS guaranteed loan program has helped more rural families realize the dream of home ownership than any other period in the agency's history. In 2016, RHS had its best year yet for the single family housing direct mortgage program, leaving no dollar unused. During the last fiscal year alone, RHS provided more than \$19 billion to help about 140,000 families with modest incomes buy, finance or repair their homes, all with an enviably low default rate.

RBS's Renewable Energy for America Program (REAP) also set records this year, providing rural businesses with guaranteed loan financing and grant funding for renewable energy systems and to make energy efficiency improvements for nearly 2,000 ag producers and rural small businesses. Encouraging energy independence

for America's small towns, using abundant, renewable natural resources, isn't just fiscally sound, it also helps communities do their part to ensure an environmentally secure future for our children. A recent \$14 million dollar REAP loan guarantee to North Carolina-based O₂ Energies is now producing enough solar energy to power 20 percent of all the homes in Mt. Airy. The REAP loan guarantee provided to North Carolina's Surrey Bank and Trust gave the bank the confidence to try something new that has benefitted the entire community, creating jobs and encouraging investment at a time when it was needed most.

RUS's Water and Environmental Programs (WEP) provided a record \$1.65 billion in funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage benefiting millions of rural Americans and their communities.

Through the Rural Alaska Village Grant program (RAVG) we have been able to address third-world sanitation conditions in rural Alaska. One example is in Lower Kalskag, Alaska, where an RD RAVG investment is constructing water and wastewater treatment facilities, and connecting the residents of Lower Kalskag to the system. By 2017, this nearly century-old settlement will have indoor plumbing for the very first time.

Since 2009, USDA has invested over \$1 billion in more than 40,000 local and regional food businesses and infrastructure projects. Between 2009 and 2014, the number of Value-Added Producer Grants awarded to local food projects has also jumped by more than 500 percent. During the 2014-2015 funding cycle, USDA dedicated nearly \$14 million, nearly half of the awarded funds, to 116 unique local food projects through this program.

In addition, we launched a microloan program in 2013 that has since financed over 18,000 farmers and ranchers in all 50 states with smaller loans of up to \$50,000. Seventy percent of these loans have gone to beginning farmers and many sell locally.

This year, I joined community leaders and elected officials to celebrate the grand opening of the Sprout regional food hub and Growers and Makers Marketplace in Little Falls, Minnesota. The food hub/market is bringing new sales opportunities for producers, and increasing access to fresh, locally grown foods for customers, too. USDA Rural Development supported this regional initiative, and the planned food hub, through a \$200,000 Rural Community Development Initiative grant. RD also provided the development commission with Rural Microenterprise Assistance Program funding that helped several area growers scale up production to meet the food hub demand. Today, 70 local growers already are selling their fresh, locally grown produce at the Sprout location in Little Falls.

Finally, I am pleased to report that RD made important operational enhancements and streamlined how we do business and better serve the people of rural America. We made important investments in our people, with improved training programs and additional personnel after years of reductions in areas that are critical to carrying out our mission of serving rural America. We engaged the public and won support for a rule to integrate the nation's environmental law to secure that the projects we fund protect the environmental quality of the communities we serve. Our Business & Industry Guaranteed Loan Program (B&I) program expands opportunities for businesses and agricultural producers who provide fresh and local food for populations in rural and urban food deserts and expands eligibility for cooperatives with a cooperative stock purchase program. Our housing programs streamlined refinancing and reduced paperwork for homeowners and opened more opportunity to small, community banks and credit unions. We've improved our online functionality, from improving our website to making it easier to apply online for our programs. These improvements in how we do business will pay dividends down the road.

Growing up in rural Oregon, I learned that inspiration, innovation, hard work and the promise of making a better life for our families and our communities are at the heart of rural America. You will find them in the men and women featured in this report. We've made great progress in fulfilling that promise this year and for years to come.

Sincerely,



Lisa Mensah

Rural Development Under Secretary



Under Obama Administration, Rural Development Strengthens the Present and Future of Rural Communities

Rural Development has again made good on its commitment to the future of rural communities all throughout the Commonwealth of Pennsylvania. This year, and since 2009 under the Obama Administration, we have forged strong partnerships at the local, state, and federal levels to make rural Pennsylvania an overall better place to live. We've strengthened the workforce by funding local businesses, we've made healthcare more accessible through our distance learning and telemedicine programs, the Community Facilities program has breathed new life into dormitories at colleges and universities across the state, and tens of thousands of Pennsylvanians now own their own homes through the Single-Family Housing program.

In fiscal year 2016, Rural Development invested over \$791 million for 5,363 projects in Pennsylvania. This includes over \$30 million for 73 projects in businesses, renewable energy, and value-added products- all of which are projects that add and retain jobs. Over \$600 million in funding went to over 4,800 families across the state to purchase, construct, and repair their homes, while over \$34 million in rental assistance was funded for multi-family properties. Community Facility programs funded over \$34 million for 50 projects that brought education, recreation, and municipal facilities back to small towns. Finally, 16 Water and Environmental projects brought waste treatment upgrades to rural communities totaling just under \$55 million. It all adds up to mean that since 2009, Rural Development has invested over \$7 billion for 43,195 projects to secure the future of rural Pennsylvania under the Obama Administration.

Rural Development strives for excellence every day, in every program, in every facet of what we do. Now and for years to come, Rural Development is committed to the future of rural communities. It takes strong leadership, cooperative partners, and a dedicated staff to realize this vision, but most of all it takes the very people we serve to make it all work. There is no Rural Development without Rural America- men and women with an idea, a plan, and an enthusiasm to improve their lives through the resources we provide and a willingness to use them. I'm truly proud of the work we've done together in the last 8 years, and I am excited to see what the future holds.

Sincerely,

Tom Williams
Pennsylvania State Director

USDA Rural Development

2016 Pennsylvania Funding

Program	Amount	Number of Projects
B&I Loan Guarantees	\$26,410,000	9
Intermediary Relending Program	\$500,000	1
Renewable Energy	\$1,263,319	36
Rural Business Development Grants	\$733,000	11
Value-Added Producer Grants	\$1,732,920	16
Single-Family Housing Direct Loans	\$23,390,950	174
Single-Family Housing Guaranteed Loans	\$591,853,418	4,393
Single-Family Housing Repair Loans & Grants	\$1,752,763	323
Rental Assistance	\$34,698,535	279
Community Facility Direct Loans	\$3,972,840	19
Community Facility Guaranteed Loans	\$30,000,000	1
Community Facility Grants	\$915,100	30
Water and Waste Direct Loans	\$38,654,900	10
Water and Waste Grants	\$16,344,000	6
Telecom	\$1,040,955	4
Electric	\$18,000,000	1
All Other Programs	\$694,460	51
TOTAL	\$791,944,553	5,398

Rural Business and Cooperative Programs

In Fiscal Year 2016, USDA Rural Development invested over \$30 million in Pennsylvania's rural businesses, supporting 73 projects. Business and Cooperative Programs serve Pennsylvania communities by creating new businesses, growing production, maintaining jobs, conducting feasibility studies, improving rural energy development, creating professional business plans, and increasing revenue for rural business ventures.

Rural Development Incites New Market Opportunities for rural Businesses in Perry County

In August, Rural Development joined members of the community of New Bloomfield for the grand opening of Perry County EDA- a county-wide tourism initiative created to benefit the businesses of Perry County. Rural Development funded this project through a USDA Rural Business Development Grant (RBDG) in the amount of \$50,000. The project included funding dollars for the creation of a Perry County visitors' center and related promotional activities leading up to Perry County's upcoming bicentennial celebration.

"Rural Development is proud to provide grant funding for wide-reaching projects such as The Perry County Economic Development Authority," said Rural Development State Director Tom Williams. "This funding will provide Perry County with opportunities to create new businesses, strengthen existing businesses, and support tourism activities throughout the county."

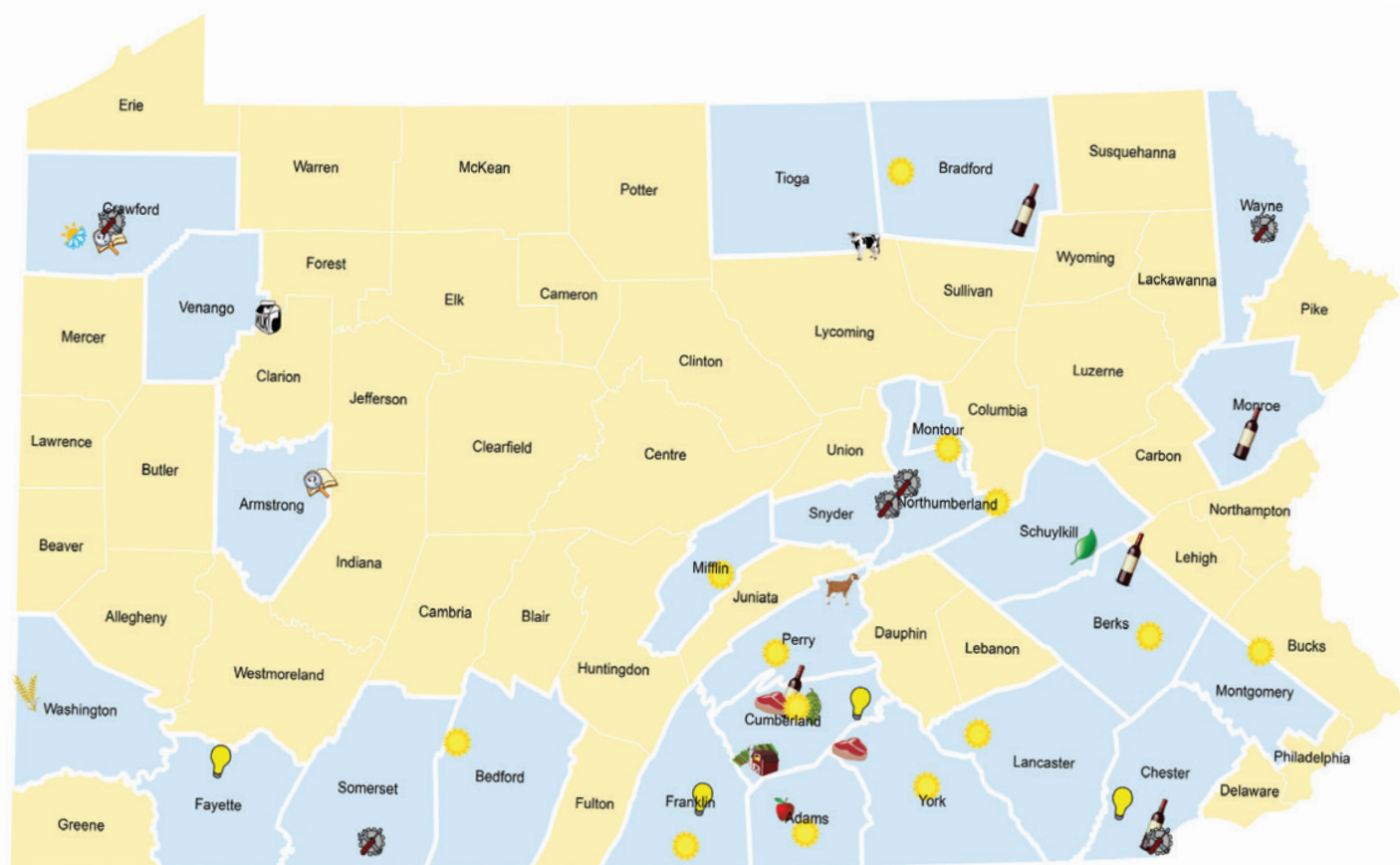
Pennsylvania also had a successful year promoting Rural Development's Value-Added Producer Grant (VAPG) program. Over \$1.7 million was invested in this program for 16 unique value-added projects across the state, including custom beef processing, natural fiber clothing, and certified organic applesauce production.

The Value-Added Producer Grant program is designed to help agricultural producers enter into activities that involve the processing and/or marketing of bio-based, value added products. With the help of Rural Development, 16 agricultural producers now have the resources needed to increase the production of their products, and to introduce these products into new markets.



Members of USDA Rural Development join state and local officials for a ceremonial ribbon cutting to signify the opening of Perry EDA

Rural Energy and Value-Added Programs in 2016



Pictured above is a visual representation of all Value-Added Producer Grant (VAPG) projects and Rural Energy for America (REAP) projects funded in Pennsylvania throughout Fiscal Year 2016. Counties highlighted in blue represent counties where a project was funded, while the icons in the key above correspond to where the project is located in the county.

Rural Housing Programs: It's a Great Time to be a Resident of the Keystone State

USDA Rural Development improved rural housing in Pennsylvania with over \$651 million in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Pennsylvania. Rural Development provides funding for single-family homes, apartments for lower-income families or the elderly, and housing for farm laborers. In Fiscal Year 2016, the agency obligated 174 direct loans and 4,393 guaranteed loans to finance homes for rural Pennsylvania families.

June is National Homeownership Month, and this year Rural Development aimed to highlight homeownership success stories across the nation. One of these success stories was that of Lisa Stokes (pictured right), a resident of Tunkhannock, Pennsylvania. Lisa is a single mother who works full time. She has two daughters that live with her in Tunkhannock, and both daughters have medical conditions that pose a challenge for the family every day. When her apartment complex was sold in 2015, a friend mentioned that the United States Department of Agriculture had homeownership programs through their Rural Development agency.

The Rural Development housing staff in Pennsylvania helped her through every step of the homeownership process. Through the single-family housing direct loan program, Lisa found a home in Tunkhannock that allowed her to walk to work and allowed her girls to walk to school. Not only were their needs met, but the home itself appraised much higher than the asking price. She was able to get a new roof and a new furnace. Last but not least, her mortgage is almost \$300 less than what she paid in rent at her old apartment complex.

Since finding a home with USDA, Lisa has since referred her mom, her dad, her sister, and a close friend to Rural Development's Single Family Direct program. There are many people statewide like Lisa- people who are quickly finding out how fast the dream of homeownership can become a reality.

“Growing up, I was taught to be happy with what

HOUSING PROGRAMS 2016 AT A GLANCE:

SINGLE FAMILY HOUSING DIRECT LOANS- 174

SINGLE FAMILY HOUSING GUARANTEED LOANS- 4,393

HOUSING REPAIRS MADE- 323

RENTAL ASSISTANCE DISTRIBUTED- OVER \$34 MILLION FOR 279 PROPERTIES



***you have. I didn't think I could ever own a home.”
-Lisa Stokes***

Community Facilities Programs

During Fiscal Year 2016, USDA Rural Development invested over \$34 million in rural Pennsylvania through 50 community facilities loans and grants. Community Facilities programs help build, expand, rehabilitate, purchase, and support the development of police and emergency fire stations and equipment, museums, child care centers, hospitals, clinics, schools, and more.

Rural Development Funding of Project SHARE Helps Feed a Community



Project SHARE (Survival Help And Recipient Education) is an "interfaith cooperative effort" located in Carlisle, Pennsylvania. Founded more than 30 years ago and currently involving over 66 local congregations, schools, and civic organizations, Project SHARE provides assistance to more than

1,000 families monthly in several Cumberland County communities. More than 35% of the families served have annual incomes of less than \$12,000.

USDA Rural Development has provided financial assistance to

Project SHARE in the past two years through their Community Facilities program. First came a Community Facility Grant awarded for \$3,400 in 2015, used for kitchen equipment to serve cooked meals to the community, and also offer youth cooking lessons. Then again this past year, another Community

BELOW LEFT: Members of USDA Rural Development join Elaine Livas, Founder and Executive Director of Project SHARE, for a photo at Project SHARE's warehouse in Carlisle, PA. BELOW: Two Rural Development Community Facility grants were able to provide the Project SHARE farmstand with upgraded equipment including kitchen equipment, delivery dock equipment, landscaping, and handrails.



Facility grant for \$7,100 was awarded for delivery dock equipment, landscaping, and handrails for the newly upgraded farm stand that Project Share operates in the Carlisle Community.

“Food distribution programs like Project SHARE are a vital part of a community’s safety net” said RD State Director Tom Williams. “Our investments to Project SHARE and other organizations like them will give communities additional means to help those in need.”

Project SHARE began in 1985 and involves local congregations, schools, and civic organizations. The Farm Project is in its twenty-second season of operation, and with the help of Rural Development, donations of fresh produce coming from 36 local farms and growers are able to happen daily. Project SHARE employs 13 staff members and a dedicated group of nearly 3,000 volunteers a year.

COMMUNITY FACILITIES 2016 AT A GLANCE:

CF DIRECT LOANS- \$3,972,840 FOR 19 PROJECTS

CF GUARANTEED LOANS- \$30,000,000 FOR 1 PROJECT

CF GRANTS- \$915,100 FOR 30 PROJECTS

Rural Utilities Programs

USDA Rural Development invested over \$74 million during Fiscal Year 2016 through 21 infrastructure projects that provided reliable and clean drinking water, waste treatment systems, electric power, and telecommunications services in Pennsylvania's rural communities.



“We are dedicated to protecting our most precious resource by keeping our rivers and streams clean. Protecting our environment is everyone’s responsibility.” - Tom Williams, PA State Director

Rural Development Celebrates Earth Day by Funding Upgrades for Harford Township Wastewater Treatment Plant

Earth Day is an important annual event for Rural Development, especially for the Water and Environmental Programs department. This year, a special Earth Day event was held in Harford Township, Pennsylvania (pictured left), where recent upgrades to the wastewater treatment plant were being made possible by Rural Development funding.

“USDA Rural Development is proud to celebrate Earth Day,” said Rural Development State Director Tom Williams. “We are dedicated to protecting our most precious resource by keeping our rivers and streams clean. By removing nutrients this project will improve the quality of the Susquehanna River which provides 70% of the fresh water to the Chesapeake Bay. Protecting our environment is everyone’s responsibility.”

Rural Development was able to fund these upgrades through a \$1,931,900 USDA Water and Environmental Programs loan. These upgrades will allow the plant to meet stringent monitoring and discharge criteria as mandated by the Pennsylvania Department of Environmental Protection for nitrogen and phosphorus removal. The funding was also used to replace grinder pumps and add a garage at the plant to house and repair equipment.

Distance Learning and Telemedicine Grants in Pennsylvania

Along with water and environmental projects, Rural Development also strengthened Pennsylvania’s infrastructure through 3 Distance Learning and Telemedicine grants.

In Titusville, Pennsylvania, a \$421,925 Distance Learning grant for the Titusville Area School District was funded by Rural Development in order to establish a distance learning network connecting instructors at Edinboro University to students in eleven rural K-12 schools in Northwest Pennsylvania and a cultural center on the Catawba Indian Reservation in South Carolina. All participants will be able to share teacher resources in their schools and across school district lines.

For Telemedicine grants, Rural Development funded two projects in PA in 2016. Universal Health Services Inc., a hospital management company based out of King of Prussia, was awarded \$430,939 for teleconferencing equipment enabling their Specialists to provide rural clinics with remote cardiology and health care to patients in rural communities across the country, while the Butler Memorial Hospital in western Pennsylvania was awarded \$137,755 to purchase telemedicine equipment to empower Butler Health System’s Crossroads Campus and Butler Memorial Hospital with the ability to extend specialty services to rural primary care providers and in-clinic pharmacies, and to Warren County prison.

State Success Story

When it was featured on an episode of the TV show “Strange Inheritance”, the fate of the Berwick Theater in Berwick, Pennsylvania was ultimately left as a cliffhanger. But with the help of USDA Rural Development, this story is headed toward a happier ending.

Efforts to acquire a digital projection system for the theater gained national attention from both the Wall Street Journal and “Strange Inheritance”, but funding options were limited. When the theater became a community based non-profit, Rural Development and the community were able to step in and assist.

Many local donations were received, including one major contribution of nearly \$70,000, which was used to purchase the real estate and incorporate the non-profit. Two grants, one Rural Business Development Grant for \$90,000 and one Community Facility grant for an additional \$50,000, have secured the future of the historic theater.

The digital projector has been purchased and installed, new seats donated by the local school district have been installed, and key renovations will be made to meet ADA code requirements to ensure that Berwick locals have the safe and enjoyable venue they deserve. These upgrades will also allow for a retractable movie screen, opening up the theater to future stage shows, musical talent, and local business meetings. By revitalizing the theater, Berwick is able to strengthen local businesses and create jobs by providing a venue for family entertainment.

Thanks to Rural Development, the Berwick Theater has avoided an untimely curtain call, ensuring that it remains a community staple for years to come.



Members of USDA Rural Development, along with local officials and members of the Berwick Theater Board of Directors stand under the the marquee at the theater's Front Street location.

Rural Housing Service

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single-Family Housing Direct Loans (including Self-Help Loans)	Safe, well-built, affordable homes for very-low- and low-income rural Americans.	Families and individuals.	Buy, build, improve, repair or rehabilitate a rural home as the applicant's permanent residence.	Rural areas with populations of up to 35,000.	Direct loan.	Up to 100% of market value or cost. Loan term of 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single-Family Housing Loan Guarantees	To assist low- to moderate-income applicants/households in buying their homes by guaranteeing loans made by private lenders.	Families and individuals.	Purchase new or existing homes and refinance existing Rural Development guaranteed or direct loans.	Rural areas with populations of up to 35,000.	Loan guarantee.	30-year, fixed. The interest rate is negotiated between lender and borrower. Loans up to 100% of market value plus the amount of the up-front guarantee fee being financed.
Single-Family Housing 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.	Repair/replace roof, winterize, purchase or repair heating system, structural repair, water/sewage connect fees, etc.	Rural areas with populations of up to 35,000.	Direct loan and grant.	Loans up to \$20,000 up to 20 years at 1%. Grants available to very-low-income applicants 62 years or older unable to pay 1% loan.
Self-Help Housing Technical Assistance Grants	Assist lower income families in building their own homes.	Nonprofits and public bodies.	Technical assistance to help small groups of families to build each other's homes.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
Rural Rental Housing Direct Loans	Safe, well-built, affordable rental housing for very-low-income individuals and families.	Individuals, trusts, associations, limited partnerships, for-profit and nonprofit entities, tribes, public bodies.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of up to 35,000.	Direct loan.	Up to 100% of total development cost (nonprofits); 97% (for-profits); 95% (for-profits with Low-Income Housing Tax Credits). 30-year term with up to 50-year amortization.
Rural Rental Housing Loan Guarantees	Provides guarantees on loans to build or preserve affordable housing for very-low- to moderate-income tenants.	For profit and nonprofit lenders.	Build or rehabilitate affordable rental housing.	Rural areas with populations of up to 35,000.	Loan guarantee.	At least 25-year term with fixed interest rate. Loan guarantees up to 90% of the principal.
Housing Preservation Grants	Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families.	Public bodies and nonprofit organizations.	To operate a program that finances repair and rehabilitation activities for single-family and small rental properties.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
Farm Labor Housing Loans and Grants	Safe, well-built affordable rental housing for farmworkers.	Individuals, public and private nonprofit organizations.	New construction or substantial rehabilitation of rental housing.	Not applicable.	Direct loan and grant.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.
Community Facilities Loans and Grants	Improve, develop, or finance essential community facilities for rural communities.	Public bodies, nonprofits, and Federally recognized tribes.	Construct, enlarge, or otherwise improve essential community facilities, such as public safety, fire and rescue, telecommunications, schools, libraries, hospitals, other healthcare facilities, etc.	City, town, or unincorporated area of not more than 20,000 in population. Facilities must primarily serve rural residents.	Direct loan, loan guarantee, or grant.	Up to 100% of market value. Term is for useful life of the facility or equipment, the State statute, or 40 years. Maximum grant 75% of project cost. Grant eligibility based on income, population, and need.
Rural Community Development Initiative	To facilitate housing, community facility, and community and economic development projects.	Private nonprofit or public organizations, philanthropic foundations, low-income communities.	Technical assistance grants of \$50,000 to \$300,000 to develop the capacity and ability of awardees to carry out needed projects.	City, town, or unincorporated area of not more than 50,000 in population.	Grant.	Matching funds required for grant.

For direct loans and grants, apply to Rural Development. For loan guarantees, apply to participating intermediaries such as approved banks, mortgage companies, etc.

Rural Business-Cooperative Service

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Loan Guarantees	Create jobs/stimulate rural economies by providing financial backing for rural businesses.	Lenders/Businesses.	Real estate, buildings, equipment, supplies, working capital, and some debt refinancing.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loan guarantee.	Lender and borrower negotiate terms. Up to 30 years for real estate, 15 years for machinery and equipment, and 7 years for working capital.
Rural Business Development Grants	Help startup or expand small and emerging private businesses and/or nonprofits in rural communities. Note: This program, created through the 2014 Farm Bill, combines the former Rural Business Enterprise Grant and Rural Business Opportunity Grant programs.	Public bodies, government entities, nonprofit entities, and Federally recognized tribes.	Acquire or develop land, buildings, plants and equipment; build or improve access roads, parking areas, utility extensions, and water and waste disposal facilities; provide technical assistance; establish revolving loan funds; and support rural distance learning programs that provide educational or job training.	All areas rural in character except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis.
Intermediary Relending Program Loans	Establish revolving funds for business facilities and community development projects.	Public bodies, nonprofit corporations, Native American tribes, and cooperatives.	Community development projects, establish or expand businesses, create or save rural jobs.	Rural areas and incorporated places with populations of less than 50,000.	Direct loan.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Microentrepreneur Assistance Program	Establish revolving funds to target assistance to small rural enterprises.	Microenterprise Development Organizations (MDOs).	Loans, technical and capacity-building assistance to businesses with 10 or fewer employees and sole proprietorships.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loans, grants.	Rural microenterprises apply directly to the intermediary.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	Rural Utilities Service-financed electric and telephone utilities.	Business startups or expansion projects that create rural jobs.	Rural areas with priority for places with populations of 2,500 or less.	Direct loan or grant to establish revolving loan fund.	Intermediary makes loans to for-profit or nonprofit businesses and public bodies. Loans are 0% for 10 years.
Rural Cooperative Development Grants	Establish/operate centers for cooperative development.	Nonprofits and institutions of higher education.	Establish centers to provide technical assistance, training, applied research, and collection and interpretation of data, for the purpose of cooperative development.	All areas except cities over 50,000 and their contiguous urbanized areas.	Grant.	Minimum 25% fund match (5% for 1994 Institutions). Grants awarded competitively.
Socially Disadvantaged Groups Grants	Provides funds to eligible co-ops or co-op associations, or co-op development centers to provide technical assistance to small, socially disadvantaged groups in rural areas. Note: formerly known as the Small, Socially Disadvantaged Producer Grant Program.	Cooperatives and co-op development centers that serve socially disadvantaged groups where a majority of the board of directors or governing board is comprised of individuals who are members of socially disadvantaged groups.	Technical assistance.	All areas, except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis. There is no matching requirement.

Rural Business-Cooperative Service

(continued)

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Value-Added Producer Grants	Help independent agricultural producers enter into activities that add value to their crops.	Independent producers, farmer and rancher cooperatives, producer groups, and majority-controlled producer-based business ventures.	Feasibility studies, business plans; working capital.	All areas.	Grant.	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) Loan Guarantees and Grants	Provide assistance for energy efficiency improvements or purchase a renewable energy system for operations.	Rural small businesses and agricultural producers.	Energy efficiency improvements, renewable energy systems, land acquisition, and working capital.	Cities, towns, unincorporated areas with populations less than 50,000. Population limits do not apply to agricultural producers.	Loan guarantee and/or grant.	Grants up to 25% of project costs not to exceed \$250,000 for energy efficiency projects and \$500,000 for renewable energy. Loan guarantees up to 75% of project cost not to exceed \$25 million.
REAP Audit/Development Grants	Provide grant to entity to pass through to a small business or agricultural producer for 75% of the cost of an energy audit or renewable energy development assistance.	State, tribal, or local government institutions of higher education; rural electric cooperatives; or public power entities.	\$100,000 grant to entities, smaller ones to small business and agricultural producers for 75% of energy audit or renewable energy development assistance.	Cities, towns, unincorporated areas with populations less than 50,000.	Grant.	\$100,000 to entities and up to 75% of the cost of energy audit for renewable energy development assistance.
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees	Provide loan guarantees to develop and construct commercial-scale biorefineries or retrofit facilities using eligible technology for the development of advanced biofuels. Note: The program was formerly known as the Biorefinery Assistance Program.	Individuals; Indian tribes; State or local governments; corporations; farm cooperatives; associations of agricultural producers; national laboratories; higher learning institutions; rural electric co-ops; public power entities; or consortiums of any of the entities.	Loan guarantees to develop and construct commercial-scale biorefineries or retrofit facilities to use eligible technology for the development of advanced biofuels.	No restrictions.	Loan.	90% (maximum) guarantee on loans up to \$125 million; 80% (maximum) guarantee on loans less than \$150 million; 70% (maximum) guarantee on loans of \$150 million but less than \$200 million; 60% (maximum) guarantee on loans of \$200 million up to \$250 million.
Repowering Assistance Program	Provide payments to biorefineries to replace fossil fuels with biomass.	Biorefineries.	Grant to biorefineries, including ethanol and biodiesel plants that use electricity generated from natural gas and coal and require this for the fermentation process.	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review. Grant awards determined by National Office.
Advanced Biofuel Payment Program	Provide payments to producers of advanced biofuels.	Eligible producers of advanced biofuels.	Grant to producers of advanced biofuels (non-commercial-based).	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review. Grant awards determined by National Office.

For direct loans and grants, apply to Rural Development. For loan guarantees, apply to participating intermediaries such as eligible banks, etc. For revolving funds (RMAP, IRP, and REDLG), intermediaries apply to Rural Development, others to the intermediaries.

Rural Utilities Service

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Water and Waste Disposal Loans and Grants	Provide infrastructure for rural areas.	Public entities, Indian tribes and nonprofit corporations.	Build, repair, and improve public water systems and waste collection and treatment systems.	Rural areas and towns with up to 10,000 in population.	Direct loan and grant.	Repayment period is a maximum of 40 years. Grant funds may be available.
Water and Waste Disposal Loan Guarantees	Provide infrastructure for rural areas.	Public entities, Indian tribes and nonprofit corporations.	Construct, repair, and improve water supply and distribution systems and waste collection and treatment systems.	Rural areas and towns with up to 10,000 in population.	Loan guarantee.	Eligible lenders obtain up to a 90% guarantee on loans they make and service.
Solid Waste Management Grants	Provide technical assistance and/or training to those who operate and maintain active landfills.	Public bodies, private nonprofit organizations, Indian tribes, and academic institutions.	Technical assistance and training to improve landfill conditions and protect against threats to nearby water resources.	Rural areas, and towns with up to 10,000 in population.	Grant.	Applications accepted year-round. Complete applications submitted to National Office for review.
Technical Assistance/ Training/ Circuit Rider	Provide technical assistance and training.	Public, private, and nonprofit organizations.	Provide technical assistance and training to assist with management of water and waste projects.	Rural areas and towns with up to 10,000 in population.	Grant.	As funds are available. Complete applications submitted to National Office for review.
Rural Broadband Direct Loans and Loan Guarantees	Deployment of broadband service to eligible rural communities. Note: The 2014 Farm Bill revised program provisions. An interim rule was published in FY 2015.	Entities seeking to provide broadband services in rural areas.	Funds to construct, improve, and acquire facilities and equipment to provide broadband service in eligible rural communities.	Rural areas. Refer to the rule for specific definition and population limits.	Minimum and maximum loan amounts published annually in the Federal Register.	Refer to the rule for loan terms and conditions.
Electric and Telecommunications Loans	Help rural communities obtain affordable, high-quality electric and telecommunications services.	Nonprofit and cooperative associations, public bodies, and other utilities.	Generation, transmission facilities, and distribution of electric power, including alternative, renewable, conservation, and energy efficiency programs. Enhance 911 emergency service, digital switching equipment, and fiber optic cable, along with traditional main system telecommunications service.	Electric: areas served by an existing rural electric borrower, or rural areas other than a city or town of more than 20,000. Telecommunications: areas or cities with populations under 5,000.	Direct loan or loan guarantee.	Interest rates are established in accordance with 7 CFR 17.14. Contact RUS at www.rd.usda.gov or 1 (800) 670-6553.
Distance Learning and Telemedicine	Develop and deploy advanced telecommunication services throughout rural America to improve education and healthcare.	Incorporated entities, including municipalities, for-profit, and nonprofit corporations that operate rural schools, libraries, healthcare clinics, and other educational or healthcare facilities.	To provide end-user equipment and programming that delivers distance learning and telemedicine services into eligible areas.	Rural areas outside incorporated or unincorporated cities with populations up to 20,000.	Grant.	Awards range from \$50,000 to \$500,000. A minimum of 15% in matching funds is required.
Community Connect Grants	Provide public access to broadband in otherwise unserved communities.	Public bodies, tribes, cooperatives, nonprofits, limited dividend or mutual associations; corporations, and other legally organized entities.	To build broadband infrastructure and establish a community center that offers free public access to broadband for two years.	A single community, outside incorporated or unincorporated cities, with a population over 20,000 and that does not have broadband.	Grant.	Minimum: \$50,000; Maximum: \$1 million. Amounts are published in Notices of Funding Availability and may vary.

Electric and Telecom Programs: Contact the Rural Utilities Service Administrator; Water Programs: Contact the Rural Development State Office. CFR refers to Code of Federal Regulations.

Summary of Funding Purposes

	Land & Bldgs.	Mach. & Equip.	Working Capital	Infrastructure	Tech. Asst./Train.
Rural Housing and Community Facilities Programs					
Single-Family Housing Direct Loans (including Self-Help Loans)	♦				
Single-Family Housing Loan Guarantees	♦				
Single-Family Housing Repair Loans/Grants	♦				
Self-Help Housing Technical Assistance Grants					♦
Rural Rental Housing Direct Loans	♦			♦	
Rural Rental Housing Loan Guarantees	♦			♦	
Housing Preservation Grants	♦	♦	♦	♦	♦
Farm Labor Housing Loans/Grants	♦			♦	
Community Facilities Direct Loans, Loan Guarantees, Grants*	♦	♦	♦	♦	
Rural Community Development Initiative					♦
Rural Business and Cooperative Programs					
Business and Industry Loan Guarantees	♦	♦	♦	♦	
Rural Business Development Grants	♦	♦	♦	♦	♦
Intermediary Relending Program Loans	♦	♦	♦		
Rural Microentrepreneur Assistance Program	♦	♦	♦	♦	♦
Rural Economic Development Loans and Grants	♦	♦	♦	♦	♦
Rural Cooperative Development Grants				♦	♦
Socially Disadvantaged Groups Grants					♦
Value-Added Producer Grants			♦	♦	♦
Rural Energy for America Program Loan Guarantees/Grants	♦	♦		♦	♦
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees					
Repowering Assistance Program					
Advanced Biofuel Payment Program					
Rural Utilities Programs					
Water and Waste Disposal Direct Loans, Loan Guarantees, Grants	♦	♦		♦	
Solid Waste Management Grants					♦
Technical Assistance/Training/Circuit Rider					♦
Rural Broadband Direct Loans and Loan Guarantees	♦			♦	
Electric and Telecommunications Direct Loans/Loan Guarantees	♦	♦		♦	
Distance Learning and Telemedicine Loans/Grants		♦		♦	
Community Connect Grants	♦	♦	♦	♦	

* Initial operating expenses are eligible in conjunction with the financing of an eligible community facility project. However, grant funds may not be used to fund initial operating expenses.

January 2017

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- (1) mail: U.S. Department of Agriculture,
Office of the Assistant Secretary for Civil Rights,
1400 Independence Avenue, SW, Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov (link sends e-mail).

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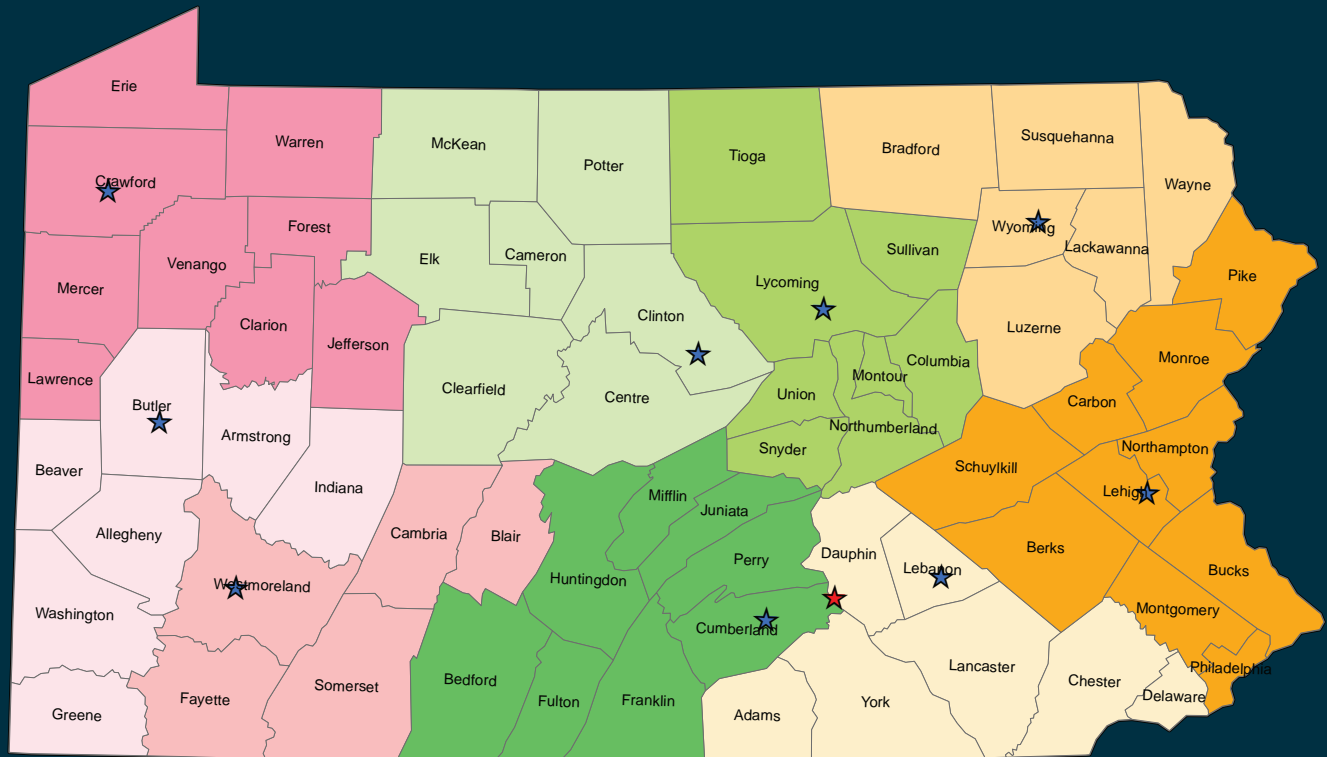
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Contact us to learn more at:
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United States
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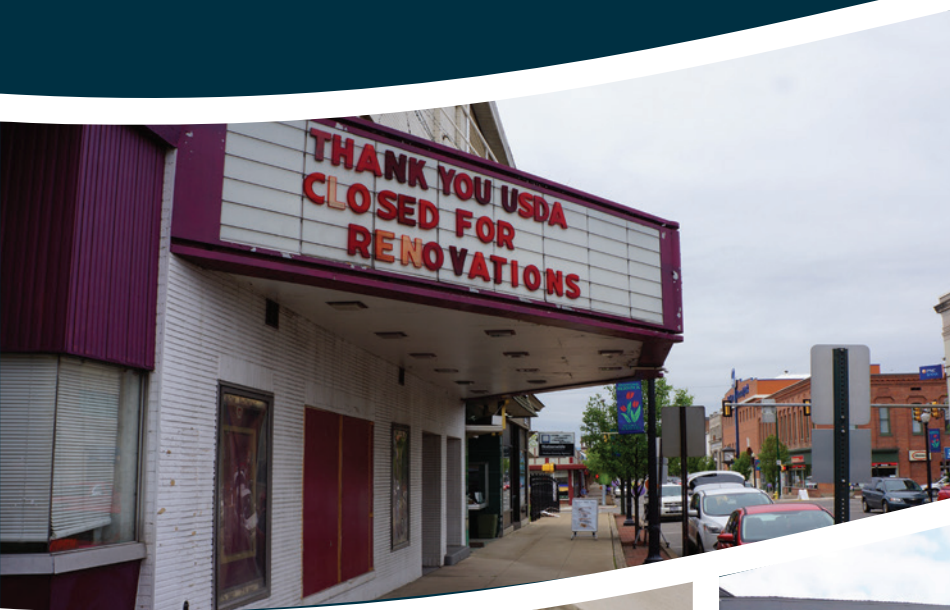
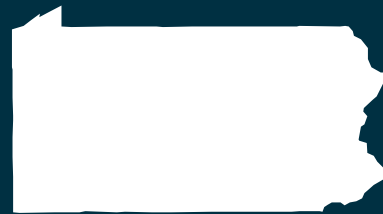
Rural Development

USDA Rural Development is committed to the future of rural communities.



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Above, clockwise from top left: Berwick Theater, South Hanover Township Municipal Authority groundbreaking, Leg Up Farm, Ag Progress Days