

# USDA Rural Development Program Guide

USDA Rural Development

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Housing Programs			USDA Rural Development Program Information			
Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/ Conditions
<b>Community Facilities</b>	Provide Essential Community Facilities for rural communities	Public bodies and non-profit corporations. Direct and grant: apply to local RD office. Guaranteed: Apply to commercial lender.	Fire and Rescue, public safety, public buildings, schools, libraries, museums, day care, health services, NOT FOR RECREATION ACTIVITIES (except guaranteed)	Rural areas and populations of 20,000 or less	Direct Loan, Loan Guarantee, Grant, or Combination	Up to 100% of market value. Up to 40 years or life of security.  Interest rates are set quarterly based on an index of current market yields for municipal obligations, except guaranteed. Guaranteed rates set by commercial lender. 1% guaranteed fee.
<b>Farm Labor Housing</b>	Safe, well-built affordable rental housing for farm workers	Individuals, profit and non-profit organizations apply to RD	New construction or substantial rehabilitation of rental housing	Rural areas and populations of 20,000 and less	Direct Loan and Grant	Up to 100% of market value Up to 33 years at 1% interest
<b>Housing Preservation Grants</b>	Repair and rehabilitate housing owned or occupied by low income rural residents	Public bodies and nonprofit corporations apply to RD	Operate a program which finances the repair and rehabilitation activities	Rural areas and populations of 10,000 and less	Grant	Grant agreement conditions
<b>Rental Housing for Families and Elderly Direct Loans and Loan Guarantees</b>	Safe, well-built affordable rental housing for rural Americans	Individuals, profit and non-profit organizations. For guarantees, apply to intermediary; for direct, apply to RD State Office	New construction or substantial rehabilitation of rental housing	Rural areas and populations of 10,000 or less	Direct Loan or Loan Guarantee	Up to 100% of market value (non-profits); 97% (for profits)  Up to 30 years with 50 year amortization.
<b>Self Help Housing Loan &amp; Grants</b>	Single family homes built by a group of program eligible applicants using RD financing. Project development and construction guidance provided by a participating nonprofit grantee	Loan applications are packaged and developed by the grantee organizations – referred to RD for final underwriting and approval.  Grant application information provided by local RD Office.	Loan made to individuals and/or families for site, material and skilled labor Grants provided to non-profit organizations to develop self-help project, provide technical assistance, counseling and construction supervision.	Rural areas w/ populations of 10,000 or less (MSA Counties); Rural areas w/ populations of 20,000 or less (Non MSA Counties)	Direct Loan Direct Grant	Loan: Same as Single Family Home Ownership guidelines below; however, substantial portion of labor involved with constructing home provided by applicant.  Grant: Organization must have technical and supervisory experience to carry out objectives of self-help project
<b>Single Family Home Ownership Loan Guarantees</b>	Assist eligible applicants to purchase homes in rural areas by issuing loan note guarantees to private lenders.	Applicants apply to local lender.	Loans may be made to construct new or purchase existing homes in rural areas	Rural areas w/ populations of 10,000 or less (MSA Counties); Rural areas w/ populations of 20,000 or less (Non MSA Counties)	Loan Guarantee	Finance up to 100% of the appraised value plus up front guarantee. Fee of 2%; 102% LTV no down payment required. Loans are for 30 years, interest rate is set by the lender with annual fees of .4% unpaid principal balance.
<b>Single Family Home Ownership Loans</b>	Finance safe, well built, affordable homes for rural Americans.	Applicants apply to local RD Office.	Buy, build, improve or repair or rehabilitate rural homes as the applicant's permanent residence.	Rural areas w/ populations of 10,000 or less (MSA Counties); Rural areas w/ populations of 20,000 or less (Non MSA Counties)	Direct Loan	Finance up to 100% of market value. Loans typically amortized over 33 years.  Applicant may be eligible for payment assistance (subsidy) to reduce monthly payment
<b>Single Family Home Repair Loans &amp; Grants</b>	To assist very low income homeowners repair their homes.	Families and individuals who currently own their home apply to local RD Office.	Repairs to improve or modernize a home, remove health or safety hazards or to make property accessible for household members with disabilities.	Rural areas w/populations of 10,000 or less (MSA Counties); Rural areas w/ populations of 20,000 or less (Non MSA Counties)	Direct Loan and Grant	Maximum loan term up to 20 years at 1% fixed interest rate. Outstanding balance on loan(s) not to exceed \$20,000. Grants available to applicant's age 62 years or older to remove health or safety hazards or make property accessible to household members w/ disabilities. Lifetime grant assistance \$7,500.

## Utilities Programs

## USDA Rural Development Program Information

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/ Conditions
<b>Distance Learning and Telemedicine</b>	Development and deployment of advanced telecommunication services throughout rural America.	Incorporated entities, including municipal corporations, for profit and not for profit groups, which operate or will operate at educational institutions, including a regional educational laboratory, library, hospital, medical center, medical clinic or any rural community facility. Rural Schools, libraries, health care facilities. Application submitted to the RD National Office in Washington, DC.	Equipment for classrooms; cameras, video monitors computers and LAN; and for physician consultation, radiology, x-ray scanners and digital microscopes	Rural areas. Points awarded on sliding scale based on degree of rurality, as measured by 2010 US Census data. Multiple areas within proposed service area will be scored and averaged to reach final score.	Direct Loan and / or Grant	Matching funds are required.
<b>Electric and Telecommunications</b>	Provide financial aid through direct guaranteed loans.	Nonprofit and cooperative associations, public bodies and other utilities. Contact USDA-RUS Electric Staff Division 1400 Independence Ave., SW Washington, DC 20250 - 1569	Generation, bulk transmission facilities and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable	Rural areas	Direct Loan or Loan Guarantee	Interest rates are established in accordance with 7CFR 17145.
<b>Solid Waste Management Grants</b>	Provide technical assistance and/or training to help communities reduce the solid waste stream	Non-profit organizations and public bodies. Contact RD State Office in Syracuse.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities, reduction of solid waste streams	Rural areas and places with up to 10,000 population.	Grant	Projects funded based on selection at National Level.
<b>Technical Assistance &amp; Training Grant</b>	Provide technical assistance and/or training to help communities with water / wastewater systems	Non-profit organizations and public bodies.  Contact RD State Office in Syracuse for assistance.	Provide technical assistance and training for water and waste water systems.	Rural areas and places with up to 10,000 population.	Grant	Projects funded based on selection at National Level.
<b>Water and Waste Disposal Loans and Grants</b>	Providing infrastructure for rural areas	Public entities, non-profit organizations and Native American Tribes apply to local RD office	Build, repair, and other related costs to improve public water systems and waste collection and treatment systems	Rural areas and places with up to 10,000 population.	Direct Loan and Grant	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment maximum: 40 years. Grant funds may be available.
<b>Water and Waste Disposal Loan Guarantees</b>	Providing infrastructure for rural areas	Eligible lenders obtain guarantee for loans made and serviced by them. Lenders should contact their local RD office	Construct, repair, modify, expand, and other related costs to improve water supply and distribution systems and waste collection and treatment systems	Rural areas and places with up to 10,000 population.	Loan Guarantee	Not eligible for Grant.
<b>Emergency Community Water Assistance Grant (ECWAG)</b>	Assist rural areas that have a significant decline in water quality or quantity	Public bodies (such as a municipality, county, district or authority); nonprofit organizations, Native American tribes	Water system improvements to alleviate source or distribution problems and restore safe drinking water	Rural areas and places with up to 10,000 population.	Grant  Typical Amount of Assistance  \$150,000 distribution; \$500,000 for source	Accepting applications year round
<b>Predevelopment &amp; Planning Grant (PP Grant)</b>	Assist in developing applications for RD financial assistance	Public bodies, nonprofit organizations, Native American tribes	Costs associated with developing a complete application for RD loan or grant	Rural areas and places with up to 10,000 population and MHI below 80% of state NMHI	Grant  Typical amount of assistance \$10,000 - \$15,000	Accepting applications year round

# Business & Cooperative Programs USDA Rural Development Program Information

Program	Purpose	Program Type	Eligible Applicants	Eligible Areas	Authorized Purposes	Typical Amount of Assistance	Rates and Terms	Keys to Success	When to Apply
<b>Business &amp; Industry (B&amp;I) Guaranteed Loans</b>	Provide an incentive for business lending that will save & create jobs (typically for larger businesses)	USDA guarantees business loans made by commercial lenders	Banks, credit unions and other commercial lenders who make loans to rural businesses	Areas outside the boundaries of a city or town of > 50,000 population and the urbanized area contiguous and adjacent to such city or town; also considers "rural in character" and strings in determining rural areas	The loans guaranteed can be used for real estate, equipment, working capital & refinancing for non-farm businesses	80% loan guarantees for loans up to \$5 million; 70% on loans up to \$10 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons)	Lender- driven; have a bank willing to make the loan (USDA only guarantees it); business with strong equity & collateral	Year round
<b>IRP Intermediary Relending Program</b>	Capitalize locally run revolving loan programs for small businesses unable to qualify for bank financing	USDA loans money to a local Revolving Loan Fund (RLF) for relending to non-farm businesses	Nonprofit groups, tribes & public bodies who will make loans to rural businesses and community projects	Same as B&I Guaranteed Loan Program	The loan is used to set up a loan program that makes business loans for non-farm, rural businesses	Loans up to \$1,000,000 in a fiscal year to re-lenders to make loans up to \$150,000 to businesses	1%, 30 years to re-lender to make loans at negotiated rates and terms to rural businesses and community projects	Funding is limited, so these loans tend to go only to loan funds that will serve neediest areas	Year round with a quarterly competition at the national level
<b>RMAP Rural Micro-entrepreneur Assistance Program</b>	Capitalize locally run revolving microloan programs that offer both microloans and counseling for microbusinesses	Loans to a local revolving loan fund for micro lending; generally with companion grant support for business counseling	Nonprofit micro-enterprise development organizations, tribes and colleges	Same as B&I Guaranteed Loan Program	To set up a microloan fund from which loans of \$50,000 or less are made; the companion grant provides business help to the micro-borrower	Loans up to \$500,000 in a fiscal year with annual companion grant equal to 25% of the microloan portfolio size	2%, 20 years to a micro-lender for microloans at lender determined rates & terms of not more than 10 years	Micro-lender must provide technical assistance and training along with administering the revolving loan fund.	Year round with a quarterly competition at the national level
<b>RBDG Rural Business Development Grant (Enterprise type projects)</b>	Support economic development projects that will assist small & emerging private businesses in rural areas.	Grants to assist private business development	Nonprofit corporations, public bodies, colleges, Federally Recognized Tribes and Rural Cooperatives	Same as B&I Guaranteed Loan Program	Grant is used to conduct a feasibility study, provide technical assistance to businesses, provide job training, set up a RLF and available for equipment purchase	The average amount of a grant is <\$100,000	Grant	Funds tend to go to projects that help the neediest areas, contribute significant funds to the project, or meet strategic initiatives	Once a year competition at State level
<b>RBDG Rural Business Development Grant (Opportunity type projects)</b>	Promote sustainable economic development in rural areas	Grants to eligible applicants who provide business and economic development services	Nonprofit corporations, public bodies, colleges, Federally Recognized Tribes and Rural Cooperatives	Areas outside the boundaries of a city or town of > 50,000 population and the urbanized area contiguous and adjacent to such city or town; also considers "rural in character" and strings in determining rural areas	Community economic development, technology based economic development, Feasibility studies/business plans, leadership/entrepreneur training,, rural business incubators, long-term business strategic planning	Maximum \$50,000	Grant	Limited funding; grants tend to be projects that help the neediest areas, contribute significant funds to the project, or meet strategic initiatives	Once a year competition at State level
<b>RED Loan Rural Economic Development Loan</b>	Promote specific community or business development projects improving the local economy	Loans to certain utilities that are in turn re-loaned for local community or business projects	Electric & Telephone utilities eligible for USDA's Rural Utilities Service	Areas outside the boundaries of a city or town of ≤ 50,000 population and the urbanized area contiguous and adjacent to such city or town	The RED Loan is re-loaned by the utility to a non-farm business or community project for real estate & equipment	Loans up to \$2,000,000	Loan is zero %, 10 years; re-loaned at zero%, 10 years	Req's a community-orientated nonprofit or cooperative utility willing to borrow & relend on the project's behalf	Year round with a monthly competition at national level
<b>RED Grant Rural Economic Development Grant</b>	Promote specific community development projects to improve the rural economy	Grants to certain utilities to capitalize a revolving loan fund for community projects	Electric & Telephone utilities eligible for USDA's Rural Utilities Service	Same as RED Loan	Used to set up a revolving loan fund; the initial grant funds must be used for: community facility, education or health care project	\$300,000 grant maximum	Grant	Requires a community orientated nonprofit or cooperative utility willing to oversee a loan fund; req's a 20% match	Year round with a monthly competition at national level

## Business & Cooperative Programs (Continued)

## USDA Rural Development Program Information

Program	Purpose	Program Type	Eligible Applicants	Eligible Areas	Authorized Purposes	Typical Amount of Assistance	Rates and Terms	Keys to Success	When to Apply
<b>VAPG</b> Value Added Producer Grant	Support producers in ventures that will increase the return on their agricultural commodities	USDA provides matching grants for value-added ventures	Farmers, ranchers, foresters and fishers; coops; producer groups & joint ventures	No rural area requirement	Grants for planning or working capital to operate value added ventures; minimum 1:1 match required	≤ \$75,000 (planning); ≤ \$200,000 (working capital). Varies yearly, please contact the USDA RD NY State Office	Grant	Application requirements are complex, please consult with USDA well in advance of application deadline	Once a year competition at national level
<b>SSDPG</b> Small Socially Disadvantaged Producer Grant	Foster business success of small, socially disadvantaged agricultural producers	USDA makes grants for technical assistance projects	Coops or CDC's where a majority of the governing board are socially disadvantaged producers	Unincorporated areas & ≤50,000 population cities	Feasibility or market studies, product improvement, training or legal advice	≤\$200,000	Grant for 1 year or less project period	Preference for experience & projects that help the most producers & smaller, poorer communities	Once a year competition at national level
<b>RCDG</b> Rural Cooperative Development Grant	Facilitate job creation in rural areas through the development of new cooperatives	USDA makes grants to organizations to provide cooperative development services	Nonprofit corporations and institutions of higher education	Unincorporated areas & ≤50,000 population cities	Establish and operate centers that assist rural cooperatives	<\$200,000 – established each year in FR notice	Grant for 1 year or less project period; up to 75% (95% for 1994 Institution) of costs of the centers	Limited funding; grants tend to go to area applicants demonstrating the best track record and capability for cooperative development	Once a year competition at national level

## Energy Programs

## USDA Rural Development Program Information

<b>REAP Grants</b> Renewable Energy Systems & Energy Efficiency Improvements	Promote the use of renewable energy systems and energy efficiency improvements	USDA makes grants to agricultural producers (Farmers, ranchers) and rural small businesses	Agricultural producers and rural small businesses	Areas outside the boundaries of a city or town of > 50,000 population and the urbanized area contiguous and adjacent to such city or town; also considers "rural in character" and strings in determining rural areas	Renewable energy systems (wind, solar, biomass, biofuel, digesters, geothermal & micro-hydro) and energy efficiency improvements	Renewable Energy Systems Grants from \$2500 to \$500,000. Energy Efficiency Improvements grants range from \$1500 to \$250,000 (Max. grant is 25% of project cost)	Grant	Program has various thresholds and application contents vary, consult with USDA well in advance of deadline; grants ≤\$20,000 are encouraged	Applications can be submitted at any time, but Notice establishes a submittal date by which applications must be received to compete for funding.  Application Deadline: Under \$20,000 due 10/31. All others due April 30.
<b>REAP Loan Guarantees</b> Renewable Energy Systems & Energy Efficiency Improvements	Promote the use of renewable energy systems and energy efficiency improvements	USDA guarantees loans made by lenders to agricultural producers & rural small businesses	Banks and other commercial lenders who make loans to agricultural producers and rural small businesses	Same as REAP Grants	The loans guaranteed can be used for the purchase & installation of renewable energy systems and energy efficiency improvements	85-60% Loan guarantees on \$5,000 to \$25 million loans	Negotiated by the business & lender; fixed or variable rates	Lender submits the application to USDA. Loan guarantee requests may be combined with a REAP grant	Year round.  Projects are funded monthly.

## Energy Programs (Continued)

## USDA Rural Development Program Information

Program	Purpose	Program Type	Eligible Applicants	Eligible Areas	Authorized Purposes	Typical Amount of Assistance	Rates and Terms	Keys to Success	When to Apply
<b>REAP Grants</b> Energy Audit and Renewable Energy Development Assistance	To assist agricultural producers and rural small businesses by conducting energy audits and providing information on renewable energy efficiency	Grants to entities to provide agricultural producers and rural businesses with energy audits and / or information to promote the use of renewable energy	State or local governments, tribes, colleges, and electric coops & publicly owned utilities	Same as REAP Grants	Help cover the costs of activities specific to the completion of the energy audit or renewable energy development assistance	≤\$100,000	Grant; agricultural producers and rural small businesses must pay at least 25% of energy audit costs.	Very competitive. Experienced multi county or statewide programs favored; cost per audit of ≤\$2,000	Annual competition at national level
<b>Advanced Biofuel Payment Program (\$9005)</b>	To support and ensure an expanding production of advanced biofuels	USDA makes payments based on production of advanced biofuels	Producers of advanced biofuels (biofuels other than ethanol derived from corn kernel starch)	No rural area requirement	No restrictions	Funds are shared among all enrolled producers per BTU; type of feedstock and type of advanced biofuel affects payment level	Incentive payment	Enroll in the program during the annual sign up period	Annual enrollment (October) at the State Office level
<b>Bio-refinery Assistance Program (\$9003)</b>	Provide an incentive for the construction of first-of-a-kind bio-refineries to produce advanced biofuels	USDA guarantees loans made by commercial lenders	Individuals, entities, tribes, state and local government units, corporations, farm cooperatives, ag producers, associations, national laboratories, higher education institutions, rural electric cooperatives, public power entities, and consortiums of the above.	No rural area requirement	Development, construction, and retrofitting of new and emerging technologies for the development of advanced biofuels	Loan guarantees of up to \$250 million, not to exceed 80% of total eligible project costs; 80% guarantee on loan amounts <\$125 million; 70% for \$125 million to less than \$150 million; 60% for \$150 million to less than \$200 million; 60% for \$200 million up to and including \$250 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons); maximum term length is 20 years or useful life of project whichever is less	Lender driven; have a bank willing to make a loan (USDA only guarantees it) business with strong equity & collateral; feedstock supply	Once a year competition at the national level

## Summary of Program Purposes

	LAND & BUILDING	MACH. & EQUIP.	WORKING CAPITAL	INFRA STRUCT.	TRAIN/ TECH.
<b>HOUSING PROGRAM - SINGLE FAMILY</b>					
Section 502 - Direct loan	●				
Section 504 - Loan/grant	●				
Section 523 Self Help Technical Assistance Grants					●
Section 502 - Guaranteed loan	●				
<b>HOUSING PROGRAM - MULTI- FAMILY</b>					
Rural rental housing - Guaranteed loan	●			●	
Rural rental housing - Direct loan	●			●	
Farm labor housing - Loan/grant	●			●	
Housing preservation -Grant	●	●	●	●	●
<b>HOUSING PROGRAM – COMMUNITY FACILITIES</b>					
Community facilities - Direct loan/grant	●	●	●	●	
Community facilities - Guaranteed loan	●	●	●	●	
<b>BUSINESS-COOPERATIVE PROGRAM</b>					
Business & Industry - Guaranteed loan	●	●	●	●	
Rural Business Enterprise Grant	●	●	●	●	●
Rural Business Opportunity Grant	●	●	●	●	●
Intermediary Relending - Loan	●	●	●	●	
Value-Added Agricultural Product Market Development			●		●
Renewable Energy/Energy Efficiency Improvements	●	●		●	
Rural Economic Development Loan and Grant	●	●	●	●	●
<b>UTILITIES PROGRAM</b>					
Water and Wastewater - Loan/Grant	●	●	●	●	
Water and Wastewater - Guaranteed loan	●	●	●	●	
Solid Waste Management Grant					●
Distance Learning/Telemedicine, Telecomm loan/grant		●		●	