



Small Towns, BIG Futures

Rural Development's Financial Toolkit

One USDA: Seven mission areas

Farm and
Foreign
Agricultural
Services

7

Food,
Nutrition
and
Consumer
Services

6

Food
Safety

5

Marketing
and
Regulatory
Programs

4

Natural
Resources
and
Environment

3

Research,
Education
and
Economics

2

1. Rural Development



- Expanding e-Connectivity
- Improving & modernizing infrastructure
- Enhancing rural economic development
- Boosting rural quality of life



“When rural America thrives, all of America thrives.”

Organizational Structure

Rural Development

Rural Business-Cooperative Service

Rural Housing Service

Rural Utilities Service



Rural Housing Service



Single Family Housing Programs

- No down payment required
- 100 percent, fixed-rate financing
- USDA Direct loans and private lender loan guarantees available
- Loan closing costs and repairs may be included
- No private mortgage insurance required
- No prepayment penalties



Multi-Family Housing Programs

- No down payment required
- 100 percent, fixed-rate financing
- USDA Direct loans and private lender loan guarantees available
- Loan closing costs and repairs may be included
- No private mortgage insurance required
- No prepayment penalties





Home Repair Loans & Grants

Provides loans to eligible very-low-income homeowners to repair, improve or modernize their homes. A limited number of grants also are available to very-low-income homeowners - ages 62 or older - to remove health and safety hazards.

Community Facilities Loans & Grants



- Hospitals and medical clinics
- Skilled nursing facilities
- Schools and libraries
- Daycare centers
- Fire houses, first responder vehicles and equipment
- Community centers



Water & Waste Disposal Loans & Grants

This program provides funding for clean and reliable drinking water systems, wastewater and solid waste disposal, and storm water drainage systems to households and businesses in eligible rural areas.



Rural Business-Cooperative Service

Business & Industry Loan Guarantee Program



What it is:

- This program helps improve the economic health of rural communities by increasing access to business capital through loan guarantees that encourage commercial lenders to provide affordable financing for businesses located in eligible rural areas.



How it works:

- Private-sector lenders originate, process, fund, and service the loan.
- USDA guarantees the loan, sharing the risk with the lender.



Rural Business-Cooperative Service

Business & Industry Loan Guarantee Program



Qualified uses:

- **Convert**, enlarge, repair, modernize and develop rural businesses and manufacturing
- **Purchase** and develop land, easements, rights-of-way, buildings or other facilities
- **Buy** equipment, machinery, supplies and inventory
- **Refinance** (when new jobs will be created and other conditions are met)
- **Acquire** businesses and industries when the loan will keep the business from closing and / or save or create jobs



Rural Business-Cooperative Service

Business and Cooperative Grant Programs



- Intermediary Relending Program (IRP)
- Rural Cooperative Development Grants (RCDG)
- Rural Business Investment Program (RBIP)
- Rural Economic Development Loan and Grant (REDLG)
- Rural Microentrepreneur Assistance Program (RMAP)
- Socially-Disadvantaged Group Grants (SDGG)
- Value Added Producer Grants (VAPG)
- Rural Cooperative Development Grants (RCDG)
- Rural Business Development Grants (RBDG)



Rural Business-Cooperative Service Energy Programs

- Repowering Assistance Program
- Rural Energy for America Program (REAP)
- Energy Audits & Renewable Energy Development Grants
- Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants





Rural Utilities Service

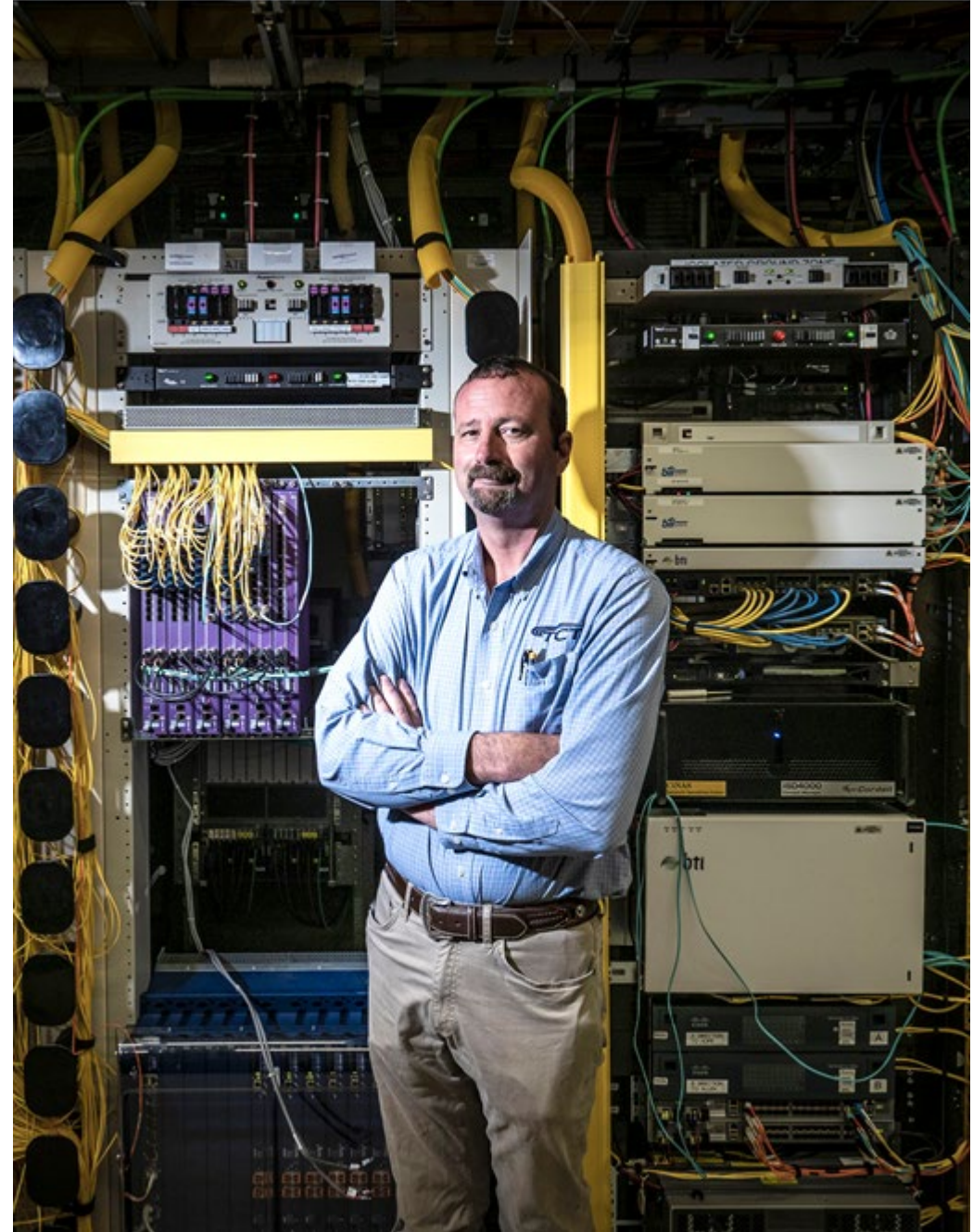
Rural Business-Cooperative Service Energy Programs

- Capital to maintain, expand, upgrade, and modernize the grid
- Construct or improve electric distribution, transmission, and generation in rural areas
- Support demand-side management, efficiency, and conservation



ReConnect Pilot Program

- Second round of funding totaling \$550 million opens on January 31
- Up to \$200 million for low-interest loans, \$200 million for grants, and \$200 million for 50/50 loan/grant combinations
- Applications due no later than March 16, 2020
- To date, USDA has awarded \$191 million with offers out to an additional 47 potential recipients totaling more than \$600 million
- This program enables the federal government to partner with the private sector and rural communities to build modern broadband infrastructure in areas with insufficient service.



Leveraging Opportunities

- You know your community's needs better than we do, but we're here to help!
- Strategic planning is important
- Does your project have broad-based community support?
- Grant funds are limited and highly competitive. Instead, consider low-interest loans.
- Look for multiple sources of funding for your project, including Rural Development and non-profits ("capital stacking")
- Innovation Center
 - substance misuse
 - workforce development
 - opportunity zones
 - capacity building
- Don't hesitate to reach out to us

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Business-Cooperatives Programs

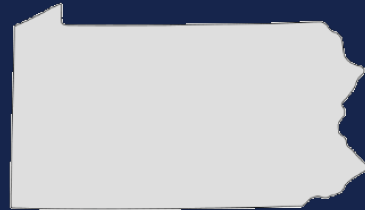
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