

USDA Rural Development

*Committed to the Future of
Rural Communities*

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Rural Development

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FY05 Total Dollars to MI

\$401,641,445

- Housing
- Business
- Community Facilities



Housing

- Multi-family Complexes/Rental Assistance
- Farm Labor Housing Loans
- Single Family Units
 - Home Ownership
 - Home Repair
 - Self Help Housing
- Housing Preservation Grants



Multi-Family Housing

- Provides safe, well built, affordable housing for rural Americans
- New construction or substantial rehabilitation of rental housing facilities
 - This is a loan made for the construction/rehab of rental housing
- Rental Assistance
 - This is money paid to the project owners on behalf of a tenant to subsidize their rent
 - We have made this available to Hurricane Katrina victims and have placed several families throughout Michigan



Farm Labor Housing

- Provides safe, well-built affordable housing for farm workers
 - Individuals, profit and non-profit organizations apply to Rural Development
 - Amortized for 33 years at 1% interest
 - No limitation on population



Single Family Housing

- ****NO MONEY DOWN**** Home Ownership
 - Direct Loans made by our agency to low and very low income families/individuals
 - Income qualification varies by county and family size
 - Maximum repayment period 38 years
 - Guaranteed Loans made by lenders with our guarantee, generally moderate income
 - Income qualification varies by county and family size
 - Maximum repayment period 30 years
 - See flyer for income qualifications (changes each spring)

<http://eligibility.sc.egov.usda.gov>



Single Family Housing (Cont'd)

- 504 Home Repair – to help very-low income applicants remove health and safety hazards, make essential repairs or make accessible for residents with disabilities
 - Winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, wells, etc.
 - Loans: 20 year at 1%
 - Maximum loan is \$20,000
 - Grants: Applicants must be 62 years or older
 - Maximum grant is \$7,500



Self Help Housing

- Individuals build homes as a group with construction guidance of a non-profit organization
 - Families and individuals apply to participating non-profit agency
 - Loan applications are processed on an individual basis for each participating family
 - Loan is provided for site, material and skilled labor



Housing Preservation Grants

- Public bodies or non-profit organizations apply to Rural Development to establish a program that finances the repair and rehabilitation activities of single family and small rental properties in their self defined area.
- No repayment required by entity receiving grant



Rural Business Services

- Business & Industry Guaranteed Loans
- Rural Business Enterprise Grants
- Intermediary Relending Program
- Rural Economic Development Loans
- Renewable Energy Efficiency Grants
- Value-Added Producer Grants



B&I Guaranteed Loans

- Create jobs and stimulate rural economies by providing financial backing for rural businesses
- Guaranteed loans made by lenders with our guarantee
 - Lender and borrower negotiate terms
 - Acquisition, start-up and expansion
 - Hotels, restaurants, machine shops, processing facilities, retail stores, grocery stores, car dealerships
 - No ag production, golf courses or gambling



Rural Business Enterprise Grants

- Facilitate the development of small and emerging private businesses
- Money goes to non profit or public body to spur business in the area – cannot go to private business
 - Eligible purposes include: feasibility studies, technical assistance, build access streets to industrial parks, establish revolving loan funds
 - No repayment required by entity receiving grant
 - Generally receive 4 times request vs. funds



Intermediary Re-lending Program Loans (IRP)

- Finance businesses and community development projects in rural areas
- Public bodies, non-profit entities, and tribes apply to Rural Development
 - They establish revolving loan fund that funds local business development
 - They receive the loan from RD at 1% for 30 years
 - Local businesses receive loan on terms consistent with security offered



Rural Economic Development Loans

- Finance economic development and job creation in rural areas
- Only RUS financed electric and telephone cooperatives are eligible
- The cooperative makes loans to for-profit businesses, non-profit businesses or public bodies for rural economic development and/or job creation projects
 - Loan terms are 0% for 10 years



Renewable Energy & Efficiency Grants

- Matching grant program for renewable energy systems or energy efficiency improvements
- Eligible applicants are small businesses, farmers and ranchers
- Pays up to 25% of project costs including wind, solar, biomass, geothermal, or other renewable energy sources. Also can be used to make energy efficiency improvements



Value-Added Producer Grants

- Matching grant program for value-added ventures
- Eligible applicants are agricultural producers and producer organizations
- Can be used to conduct feasibility analyses, develop business and marketing plans, and conduct other types of studies to help establish a viable value-added business venture. Can also be used to establish working capital accounts.



Community Programs

- Water & Waste Disposal Loans & Grants
- Water & Waste Predevelopment Planning Grants
- Community Facilities Loans & Grants
- Distance Learning and Telemedicine
- Broadband



Water & Waste Disposal Loans & Grants

- Provide infrastructure for rural areas
- Eligible uses: construct, repair, modify, expand or improve water supply and distribution systems, waste collection and treatment systems and other related costs
- Limited grant funds, received as small percent of total project (80/20)
 - Interest rates set quarterly
term up to 40 yrs



Water & Waste Predevelopment Planning Grants

- Pay costs associated with developing a water or sewer application for funding, such as Preliminary Engineering Reports, Environmental Reports, etc. (new systems only)
- Public entities, tribes and non-profit corps. Where MHI is below 80% of State Non-metro MHI
- Grant cannot exceed 75% of costs or \$15,000, whichever is less



Community Facilities Loans & Grants

- Provide essential community facilities for rural communities
- Eligible entities include public bodies and non-profit groups.
- Both guaranteed and direct loans/grants available
- Monies can be used to build facilities, buy equipment or operating costs. Fire and rescue, libraries, hospitals, city hall, jails, etc.



Distance Learning and Telemedicine Loan & Grants

- Development and deployment of advanced telecommunications services throughout rural America
- Eligible applicant is an incorporated entity, including a municipal corporation which operates, or will operate an educational institution, including a regional educational laboratory, library, hospital, medical center, medical clinic or any rural community facility. Also rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities
- Eligible uses: Equipment for classrooms: camera, video monitors, computers and LAN; and for physician consultation, radiology, x-ray scanners and digital microscopes
 - Matching funds are required



Broadband

- Facilitate deployment of new and innovative technologies to provide two-way data transmission of 200 kps or more
- Eligible applicants are any legally organized entity providing or proposing to provide broadband service in eligible rural communities
 - Rural communities with populations up to 20,000
- Eligible uses of funds include construction, improvement and acquisition of facilities and equipment to provide broadband service
 - Minimum loan is \$100,000



Contact Information

1-888-771-6993

or

1-800-944-8119

