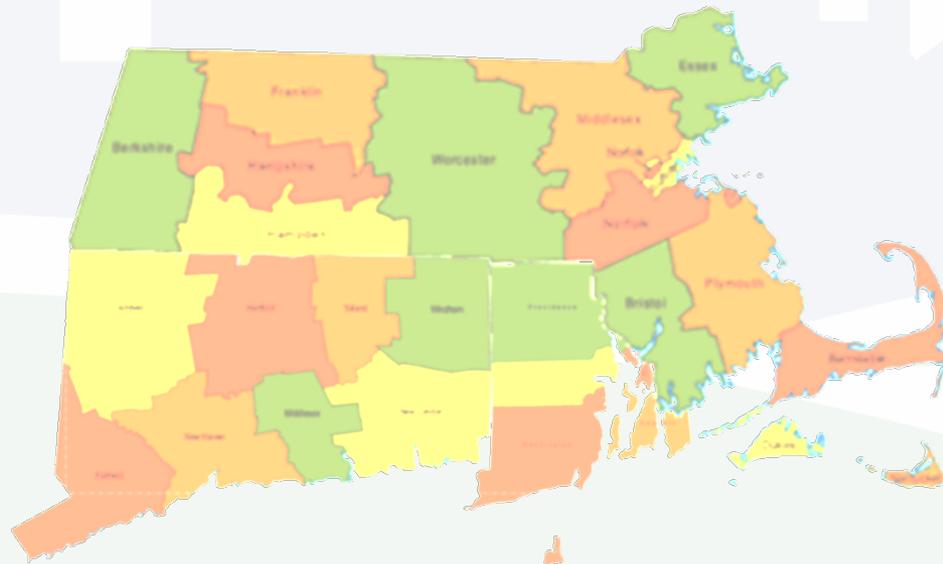


USDA RURAL DEVELOPMENT

Rural Housing Service (RHS)



Contacts

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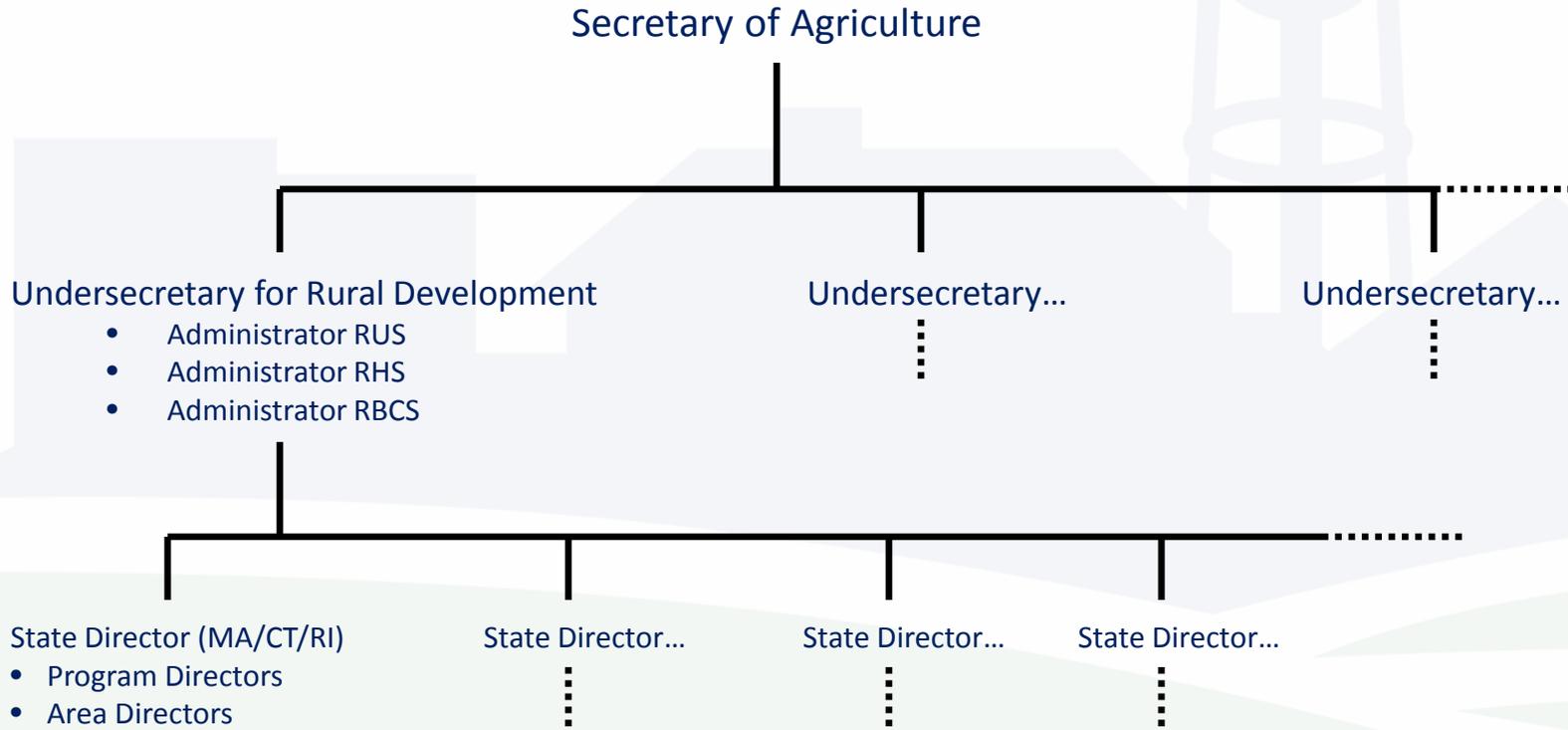
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Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single Family Home Ownership Direct Loans (Section 502)	Safe, well-built, affordable homes for rural Americans.	Low & Very Low Income households. Apply to Rural Development.	Buy, build, improve, repair or rehabilitate rural homes.	Rural areas - populations of 20,000 or less.	Direct loan.	Up to 100 percent of market value or cost, whichever is less. Loan amortized for 33/38 years.
Single Family Home Ownership Guaranteed Loans (Section 502)	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Low & Moderate Income households. Apply to lender.	Purchase new or existing homes.	Rural areas - populations of 20,000 or less.	Loan guarantee.	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100 percent of market value.
Single Family Home Ownership Direct Repair Loans and Grants (Section 504)	To help very-low-income homeowners remove health and safety hazards or to repair their homes.	Families and individuals who currently own their home. Apply to Rural Development.	Repair & rehabilitation of owner-occupied homes.	Rural areas - populations of 20,000 or less.	Direct loan and grant.	Loan terms to 20 years at 1 percent. Assistance to individual may not exceed \$27,500 with combined loan and grant.. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1 percent loan.
Rural Rental Housing Direct Loans (Sections 515)	Safe, well-built, affordable rental housing for very-low, and low income individuals and families.	Individuals, limited profit and non-profit organizations. Apply to Rural Development.	New construction or rehabilitation of rental housing.	Rural areas - populations of 20,000 or less.	Direct loan.	Up to 100 percent of total development cost (non-profits); 97 percent (for-profits). 30-year term with up to 50 year amortization. For for-profit organizations with Low-Income Housing Tax Credits, 95 percent of total development costs.
Rural Rental Housing Guaranteed Loans (Section 538)	Safe, well-built, affordable rental housing for low to moderate income individuals and families.	Individuals, partnerships, limited liability companies, trusts, state and local agencies and Indian Tribes. Apply to lender.	New construction or substantial rehabilitation of rural rental housing.	Rural areas - populations of 20,000 or less.	Loan guarantee.	Up to 90 percent loan to value for loans made to for-profit entities, and up to 97 percent loan to value for loans made to non-profit entities. Repayment terms are 25 to 40 year amortization.
Community Facilities (Including Faith-Based and First Responder)	Provide essential community facilities for rural communities.	Public bodies, non-profit organizations, and 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.	Rural areas - populations of 20,000 or less.	Direct loan or loan guarantee, grant.	Up to 100 percent of market value. Up to 40 years or life of security. Maximum grant 75 percent of project cost.
Business and Industry Loan Guarantees (B&I)	Create jobs and stimulate rural economies by providing guarantees on loans to rural businesses.	Federal or State chartered banks, credit unions, savings & loan associations or farm credit institutions.	Most business purposes except production agriculture. Includes acquisition, start-up and expansion of businesses.	Areas other than cities of 50,000 or more and their adjacent urbanizing areas.	Loan guarantee.	Lender and borrower negotiate rate and term. Minimum 10% tangible equity needed for existing business, 20% for a start-up.
Rural Microentrepreneurial Assistance Program (RMAP)	One- or two-percent 20-year loans and technical assistance grants to intermediaries for the benefit of businesses in rural areas.	Public bodies, non-profit corporations, Native American tribes, and cooperatives. Apply to Rural Development.	Gap financing for rural businesses to help create or save jobs.	Areas other than cities of 50,000 or more and their adjacent urbanizing areas.	Direct loan and technical assistance grant.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1 percent or 2 percent for 20 years.
Rural Business Enterprise Grants (RBEG)	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private non-profit corporations, and federally Native American tribes. Apply to Rural Development.	Buy and develop land, establish a revolving loan fund, construction and development.	Areas other than cities of 50,000 or more and their adjacent urbanizing areas.	Grant.	When grant funds are used for revolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Value-Added Producer Grants (VAPG)	Assist agricultural producers enter into activities that add value to their commodities.	Independent ag producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Apply to Rural Development.	Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start the operations of a venture.	No population restriction.	Grant.	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)	Finance the purchase of renewable energy systems, and make energy efficiency improvements	Agricultural producers and 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.	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.	Loan guarantee and grant.	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis and cannot exceed 25 percent of eligible project costs. Guaranteed loans cannot exceed 75 percent of eligible project costs.
Water and Waste Disposal Loans and Grants	Provide water and waste financing in rural areas to the most financially needy applicants resulting in reasonable user fees.	Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development.	Build, repair, and improve public water systems, and waste collection and treatment systems. Also other related costs.	Rural areas, cities, and towns 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 period is a maximum of 40 years. Grant funds may be available.

How USDA Rural Development is organized:





COMMUNITY FACILITIES PROGRAMS



***AN OVERVIEW OF USDA, RURAL
DEVELOPMENT'S LOAN AND GRANT PROGRAMS
WHICH BENEFIT RURAL COMMUNITIES***



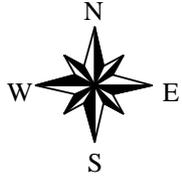
Essential Community Facilities are facilities that:

- *Provide an essential service to the community, typically provided by local government,*
- *Are necessary for the development and sustainability of the community,*
- *Are considered a public improvement having demonstrated public support, and*
- *May not include private, commercial or business undertakings.*

ELIGIBLE AREAS

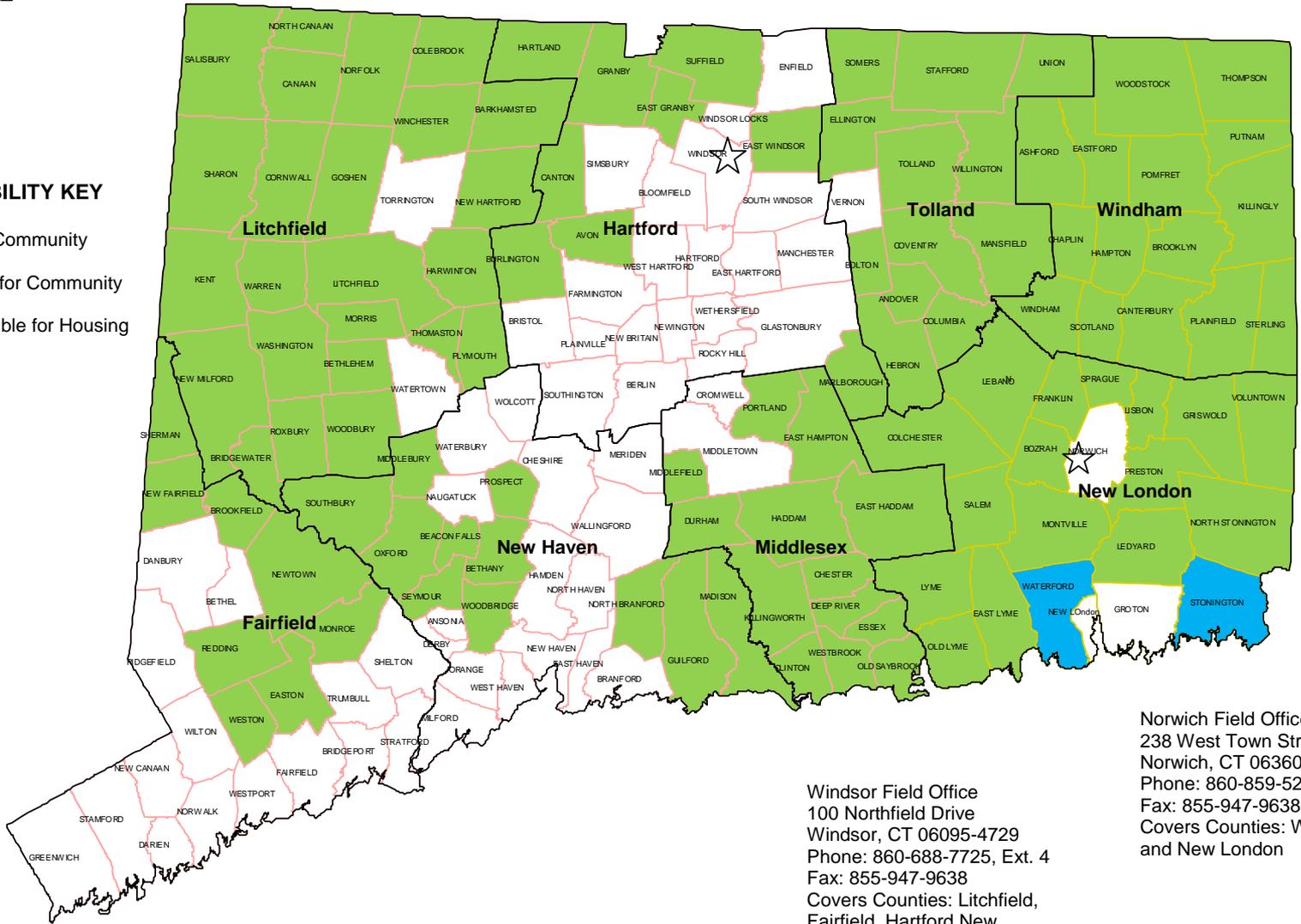
- *Rural communities with populations of less than 20,000 are considered eligible for Community Facilities program assistance.*
- *A community may be a separate village within an incorporated municipality (separate business districts, centers, ZIP codes, CDPs and character are all helpful in determining this).*
- *Non-rural locations are only eligible if the expenditure of loan and grant funds primarily benefits rural residents.*

Connecticut (MA/CT/RI Jurisdiction) Rural Development Eligible CF Areas



ELIGIBILITY KEY

- Eligible for Community Facilities
- Not Eligible for Community Facilities
- Partially Eligible for Housing



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 238 West Town Street
 Norwich, CT 06360
 Phone: 860-859-5218
 Fax: 855-947-9638
 Covers Counties: Windham
 and New London

Windsor Field Office
 100 Northfield Drive
 Windsor, CT 06095-4729
 Phone: 860-688-7725, Ext. 4
 Fax: 855-947-9638
 Covers Counties: Litchfield,
 Fairfield, Hartford New
 Haven, Tolland, and
 Middlesex

☆ Indicates Area Office

ELIGIBLE APPLICANTS

- *Public Bodies: towns, cities, or special purpose districts such as health districts, school districts, fire districts and water and sewer districts.*
- *Non-profit organizations with significant ties to the local rural community, as defined by board membership with strong local representation and demonstrated community involvement.*
- *Native American Tribes on Federal and State reservations, and other Federally recognized tribes.*

DEMONSTRATED PUBLIC SUPPORT

- *Nonprofit applicants must obtain a certificate of support from local governments*

SIGNIFICANT TIES TO RURAL COMMUNITY

- *Close association with, or controlled by, a local unit of government*
- *Broad-based community representation*
- *Substantial public funding*

TYPES OF ELIGIBLE PROJECTS

Eligible projects are those that construct, enlarge, extend or otherwise improve facilities, such as:

- Health Services - hospitals, health districts, nursing care facilities, resident treatment, and clinics
- Emergency Services - police, fire, rescue, 911, and public safety facilities
- Community, Social or Cultural Services - town hall, DPW, nursing homes, schools, childcare, adult care, museums, and libraries
- Transportation Facilities - streets, bridges, sidewalks, airports, and buses
- Utilities - Dams, sewer, and water
- Other - “Essential Community Facilities” such as renewable energy systems, energy efficiency improvements, local and regional food distribution

ELIGIBLE FUND USAGE

- *Eligible projects may use USDA funds to:*
 - *Construct, enlarge, extend, or otherwise improve public or private facilities previously described*
 - *Equipment- purchase or rental*
 - *Reasonable Fees, such as:*
 - *Legal, administrative, architectural/engineering, environmental analyses, archeological survey and mitigation, and permits*
 - *Costs of acquiring land interest, such as:*
 - *Water rights, rights-of-way, and other evidence of land or water control or protection*
 - *Construction/Development costs incurred prior to approval may be eligible*
 - *Refinancing- Must be a secondary purpose of loan, less than half of loan*

USDA RURAL DEVELOPMENT LOAN PROGRAM

TWO TYPES OF LOANS

- ***DIRECT***
- ***GUARANTEED – 90 % Guarantee***
(1 %, one-time Guarantee Fee)

SECURITY REQUIREMENTS

- **NON PROFIT ORGANIZATIONS**
 - Pledge of revenue
 - Real estate mortgages
 - Promissory notes
 - Financing statements
 - Assignments of leases, contracts, receivables, etc.
 - Security agreements
- **PUBLIC BODIES**
 - General obligation bonds
 - Revenue bonds

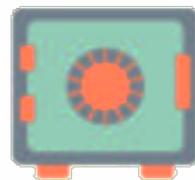


RATES AND TERMS

DIRECT LOANS:

MARKET RATE: 3.5% (4/1/2015 to 6/30/2015)
MHI > 100%

INTERMEDIATE RATE: 4.00% MHI < 80%



RATES AND TERMS

- **POVERTY RATE: 4.50%**
MHI < 80% AND HEALTH ISSUE
 - *Facility must provide direct health care benefit to the public or remove a health/sanitary condition required by a regulatory agency. Examples include hospitals, clinics and ambulances*
- **GUARANTEED LOAN** – rate negotiated between lender and borrower
- **MAXIMUM TERM: 40 YEARS OR USEFUL LIFE OF SECURITY**** or state statute

COMMUNITY FACILITIES GRANT PROGRAM

- *Can be used separately or in combination with a Direct or Guaranteed Loan*
- *Must meet the same essential community facilities test as the Direct Loan program*
- *Must meet the same eligible applicant test as the Direct Loan program*
- *The test for availability of other credit is stricter*
- *Limited statewide allocation*
- *Limited amount available for each grant due to limited allocation*

GRANT ASSISTANCE

- **75% PROJECT:** *Less than 5,000 population and 60% MHI*
- **55% PROJECT:** *Less than 12,000 population and 70% MHI*
- **35% PROJECT:** *Less than 20,000 population and 80% MHI*
- **MAXIMUM GRANT:** *50% of state allocation or \$50,000*

PAST OBLIGATIONS IN CONNECTICUT

- FY 2013 -\$209,662,283
- FY 2014 -\$184,234,086

Community Facilities Direct Loans and Grants

Total all funding in the 2nd District (FY 2009 – Present) = \$778,856,258

Total CF Funding in the 2nd District (FY 2009 – Present) = \$135,331,561

CF ALLOCATION 2015

- Direct Loans- \$16,396,750
- Guaranteed Loan- National allocation
- Direct Grants- \$88,000

APPLICATION PROCESS

- *Applications are accepted throughout the year at all Area Offices*
- *Fiscal year begins October 1st and funding is allocated shortly thereafter*
- *Applications are ranked by priority, which is determined by:*
 - *Whether the facility provides direct health care or corrects a health and safety hazard to meet regulatory law*
 - *Population*
 - *Use of leveraged funds*
 - *Targeted areas*
- *Application package*
- *Test of availability of other credit*
- *Environmental review*
- *Plans and specifications, engineering and/or architectural reports*

REGISTER WITH DUNS and SAM

- Request a Data Universal Number System (DUNS) number if your organization doesn't already have one. It should not take more than a few business days to get your number.
- Register your organization with the System for Award Management (SAM) if you aren't already registered. The registration is free, but you need to complete several steps.

Community Facilities Direct Loan & Grant Program

[http://www.rd.usda.gov/programs-services/
community-facilities-direct-loan-grant-program](http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program)



Committed to the future of rural communities.

Questions? Comments, and Closing Remarks



Committed to the future of rural communities.

Congressman Joe Courtney & Rural Development: Partners in CT

