



USDA
Rural Development

Committed to the future of rural communities.

USDA Rural Development

1. Increase economic opportunity in rural America
2. Improve the quality of life of all rural Americans

* Lead Federal Agency serving Rural America



USDA Rural Development
Committed to the future of rural communities.

USDA Rural Development

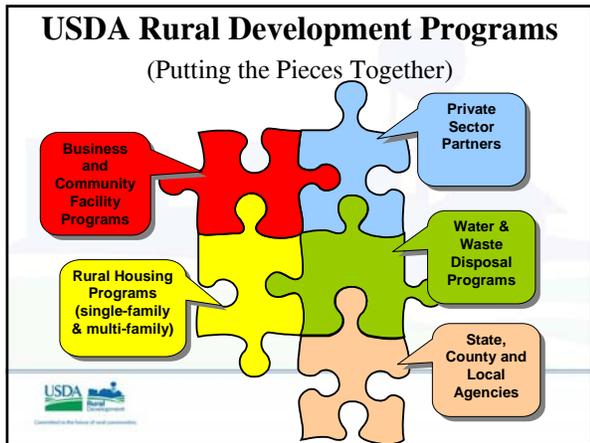
Delivers Over 40 Programs:

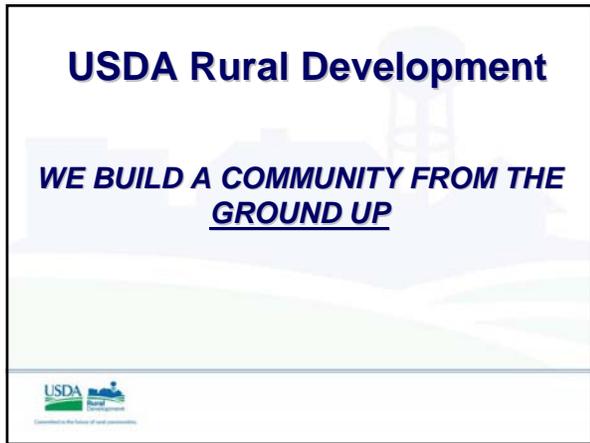
- ❖ Utilities / Infrastructure
- ❖ Business
- ❖ Housing (single-family & multi-family)

\$1.2 billion / Fiscal Years 2001-07 (KS)



USDA Rural Development
Committed to the future of rural communities.







Economic Development Fact

Homeownership:

- Promotes economic growth
- Strengthens household stability
- Creates a sense of community
- Encourages social involvement
- 'Builds' Rural Communities



Single Family Housing Programs

- Single Family Guaranteed Housing Loan
- Single Family Direct Housing Loan
- Single Family Housing Repair Loan & Grant
- Mutual Self-Help Housing Loan



Single-Family Guaranteed Housing Loans

KANSAS



**FY 2007: 1100 loans
totaling \$85,490,497**



Single-Family Guaranteed Loan Program

- No down payment required
- Allows lenders to help buyers while incurring reduced risk
- Buyers make application with approved / participating lenders



Guaranteed Loan Program

- 30-year term mortgage, at a fixed interest rate (negotiated between lender & applicant).
- 2% one-time fee of the loan amount charged to the lender, fee may be passed on to the applicant and financed in the loan request.
- Adjusted annual family income cannot exceed 115% of the median income for the area.



Single Family Guaranteed Loan



Single-Family Direct Loan Program



KANSAS



**FY 2007: 234 loans
totaling \$18,876,103**



Single Family Direct Loans

- Directly funded by USDA Rural Development
- Based on household's adjusted income
- Applicants must have very low or low incomes



Single Family Direct Loans, Cont.

Applicants may obtain 100% financing to purchase:

- an existing dwelling
- a site and construct a dwelling, or
- a newly constructed dwelling

Located in rural areas



Single Family Direct Loans, Cont.

Rural areas include:

- Open country
- Communities up to 20,000 in population



Single Family Direct Loan Program



Grandmother /
Granddaughter
Family proudly
display their new
home in northeast
Kansas.



Single Family Direct Loans, Cont.



Lisa Taggart (shown with her children Phillip and Amanda), pictured with Kristi Lloyd (USDA Rural Development Loan Officer), Lisa participated in the Section 502 direct loan program and the First Time Homebuyer's Program, provided by Kansas Housing Resources Corporation, to purchase her first home in Wamego, Kansas.



Single-Family Repair Loan & Grant Program



KANSAS




**FY 2007: 158 Loans & Grants
totaling \$ 824,213**



Single-Family Repair Loan & Grant Program

- Assists **very low income**, eligible homeowners with repair of their home located in rural areas.
- Includes repairing or remodeling a home to make it accessible and usable for handicapped or disabled persons.



Repair Loans And Grants, Cont.

Funds May be Used for:

- Installation or repair of sanitary disposal systems,
- Payment of reasonable utility connection fees,
- Energy conservation measures,
- Repair or replacement of roof, siding, or other needed repairs.



Repair Loans And Grants, Cont.

Maximum Loan Or Grant

- Outstanding maximum loan assistance may not exceed \$20,000
- Lifetime grant assistance may not exceed a cumulative total of \$7,500



Repair Loans And Grants, Cont.

Grant Eligibility Requirements:

- At least 62 years of age
- Lack repayment ability for a loan



Repair Loans And Grants, Cont.

Section 504 Loan Rates and Terms:

- All Section 504 Loans: 1% Interest
- Loan terms will not exceed 20 years and should be based on the borrower's repayment ability



Single Family Repair Loan



Ellsworth, Kansas

A \$15,000 loan from USDA Rural Development allowed for repairs including: a kitchen update, new siding and guttering, and new windows and doors as part of the renovation.





Home Repaired with USDA Funds
Greensburg, KS



Mutual Self-Help Housing



Mutual Self-Help Housing, Cont.

Mennonite Housing Rehabilitation Services
Wichita, KS
Housing Opportunities, Inc.
Great Bend, KS
City of Liberal
Liberal, KS
City of Junction City
Junction City, KS
Greensburg Community Self-Help Housing
Greensburg, KS



Valley Center Self Help





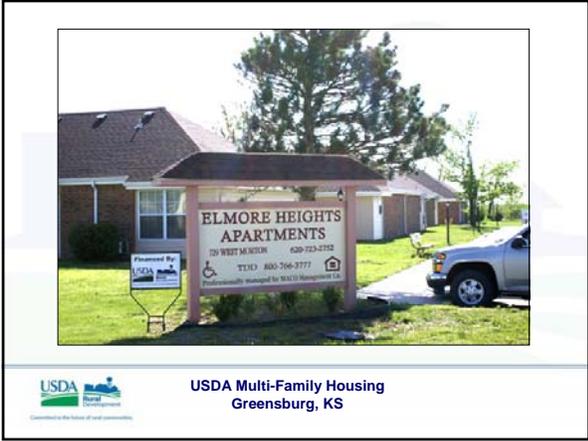
**USDA Partner in Building Affordable Green Homes
Greensburg, KS**



Multi-Family Housing Programs

- Rural Rental Housing Guaranteed Loan
- Rural Rental Housing Direct Loan
- Housing Preservation Grant
- Farm Labor Housing Loan / Grant
- Rental Assistance Program

USDA Rural Development
Committed to the future of rural communities.





**Rural Housing
Site Loan Program**



USDA Rural Development
Department of Agriculture

Rural Housing Site Loan Program

- Loans to buy and develop building sites, including the construction of access roads, streets, and utilities
- Sites developed may be sold to those who provide financial assistance for housing to low- and moderate-income families



USDA Rural Development
Department of Agriculture

Site Development/ Site Loans



USDA Rural Development
Department of Agriculture

**USDA Rural Development
Business & Community Programs**

- Community Facility Programs
- Water and Waste Water Programs
- Business Programs



USDA Rural Development
Commitment to the future of rural communities

**Community Facility Program
(CF)**

- **Direct Loan**
- **Grant**
- **Guaranteed Loan**



USDA Rural Development
Commitment to the future of rural communities

Community Facility Program

- Eligible Entities
 - Nonprofits
 - Public Bodies-municipalities, counties, special purpose districts
 - Indian Tribes
- Eligible Area
 - Rural areas, and cities/towns with $\leq 20,000$ population



USDA Rural Development
Commitment to the future of rural communities

Community Facility Program

- Eligible Purposes

- Construct, enlarge or improve community facilities
- Includes
 - Land purchases
 - Equipment purchase
 - Professional fees
- Grants can be used in conjunction with direct loans and guaranteed loans



Community Facility Program

- Use of Funds

- Drug rehabilitation facility.
- City purchased a backhoe.
- Daycare building and equipment.
- Constructed a 4-H center.
- Heating/air-conditioning for courthouse.
- Nonprofit administrative building.
- Expand county jail
- RFD fire station equipment (First Responder)



Community Facility Program

Other Eligible Projects

- Dental Clinic
- Outpatient Clinic
- Library
- Museum
- Outdoor Theater
- Public School
- Natural Gas Distribution
- Animal Shelter
- Dike
- Street Improvements
- Police Station
- Mobile Communications Center
- Home for At-risk youth
- Food Storage and Distribution Center
- Bridge
- Airport improvements
- Railroad facility
- Off Street Public Parking



Community Facility Program



Senior Citizens Center,
southwest Kansas



Day Care Funding Presentation,
central Kansas



Water & Waste Disposal Loan and Grant Program (WWD)

- **Direct Loan**
- **Grant**
- **Guaranteed Loan**



Water & Waste Disposal Program

- Eligible Entities
 - Nonprofit groups
 - Federally recognized Indian Tribes
 - Public bodies (cities, counties, etc.)
 - Special-purpose districts.
- Eligible Area
 - Rural areas with population up to 10,000



Water & Waste Disposal Program

- ***Eligible Purposes***

- Construct, enlarge, or otherwise improve rural water, solid waste disposal, sanitary sewage, and storm wastewater disposal facilities.
- Purchase program related machinery and equipment.
- Related professional fees





**New City Water Tower
Greensburg, KS**



Business & Industry Guaranteed Loan Program (B&I)

- **Guaranteed Loan**



B&I Guaranteed Loan Program

- Eligible Entities
 - Any legal entity, including individuals, public and private organizations and federally recognized Indian tribal groups. There is no size restriction on the business.
- Eligibility Area
 - Rural areas with population up to 50,000



B&I Guaranteed Loan Program

- Eligible Purposes – includes (but is not limited to):
 - Business acquisitions
 - Construction
 - Expansion
 - Repair
 - Modernization
 - Development Costs
 - Purchase of equipment
 - Startup working capital
 - Refinancing for viable projects under certain conditions



B&I Guaranteed Loan Program Percentage of Guarantee

- 80% up to \$5 Million
- 70% over \$5 Million to \$10 Million
- 60% over \$10 Million to \$25 Million



B&I Guaranteed Loan Program

- Program Examples

- Purchased a convenient store.
- Constructed a rural country store.
- Constructed an additional grain storage facility.
- Truck plaza construction
- Metal fabrication facility operations
- Working capital for a propane delivery business.



B&I Guaranteed Loan Program

- Benefits to Rural Businesses

- Larger loan amounts, **lower interest rates**, and longer repayment terms.
- Assists business in providing **stability, growth, expansion, and rural employment.**



B&I Guaranteed Loan Program

- Benefits to Lenders:

- Another tool to expand their loan portfolio.
- Increase earnings through participation in the secondary market.
- Reduces concerns regarding collateral/ appraisal issues often found in smaller communities.
- To make loans above their legal lending limits.



B&I Guaranteed Loan Program



Manufacturing facility,
central Kansas



Grain handling facility,
southeast Kansas



Guaranteed by the Federal Reserve Bank of Kansas

Cotton Gin



Guaranteed by the Federal Reserve Bank of Kansas

Lumber Yard



Guaranteed by the Federal Reserve Bank of Kansas

Project involving New Construction



Farm Equipment Manufacturer



Motel



Plastic Products Manufacturer



Steel Products Manufacturing



Grocery Store



Rural Economic Development Loan and Grant Program (REDLG)

- Loan
- Grant



Rural Economic Development Loan & Grant Program

- Program Purpose
 - Loans to eligible RUS utilities to make a pass-thru loan to a rural business.
 - Grants to eligible RUS utilities to establish revolving loan funds to initially make loans to eligible rural projects.
- Eligible Areas
 - Rural areas with population up to 50,000.



Rural Economic Development Loan & Grant Program

- Term:
 - Maximum of 10 years.
- Interest Rate:
 - 0% (Loan)



Rural Economic Development Loan & Grant Program

Other Eligible Projects

- Grocery Store
- Community College Improvements
- Livestock Handling Equipment
- Feed Mill
- Seed Company
- Industrial Building
- Hospital Improvement
- Library
- Furniture Business
- Country Store
- Implement Dealer
- Fire Trucks
- Hotels
- Dairy Operation



Rural Economic Development Loan & Grant Program



Electrical repair company,
northeast Kansas



Bakery/Restaurant
north-central Kansas



Rural Business Enterprise Grant Program (RBEG)

•Grant Only



Rural Business Enterprise Grant Program

- Eligible Entities:
 - Nonprofit corporations.
 - Public Bodies (cities, counties, etc.).
 - Federally recognized Indian Tribes.
- Eligible Area:
 - Rural areas and cities/towns with \leq 50,000 population.



Rural Business Enterprise Grant Program

- Grants are made to finance and facilitate development of small and emerging private business enterprises in rural areas.
 - Small and emerging businesses are any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenue



Rural Business Enterprise Grant Program

- Eligible Purposes:
 - Technical Assistance.
 - Industrial park development / incubator facility.
 - Revolving loan funds.



Renewable Energy & Energy Efficiency Program (RE/EE)

- Grant
- Guaranteed Loan



Renewable Energy & Energy Efficiency Program

- Eligible Entities:
 - Farmers, ranchers, and rural small businesses with a demonstrated financial need.
- NOTE:** Farmers and ranchers **MUST** be directly engaged in production, and obtain at least 50% of gross income from their agricultural business.



Renewable Energy & Energy Efficiency Program

- Eligible Areas:
 - Rural areas with population up to 50,000.
- Eligible Purpose:
 - Assist agricultural farmers, ranchers, and rural small business **purchase renewable energy systems and make energy efficiency improvements.**



Renewable Energy & Energy Efficiency Program

- Eligible Purposes: Renewable Energy Projects, i.e.
 - Wind, geothermal source.
 - Biomass.
 - Solar.
 - Geothermal source.
 - Hydrogen derived from biomass or water using one of the above energy sources.



Renewable Energy & Energy Efficiency Program

- Eligible Purposes: Energy Efficiency Improvements, i.e.
 - Heating/ventilation/AC
 - Lighting
 - Refrigeration systems
 - Insulation/windows/doors



Renewable Energy & Energy Efficiency Program

- Grant Assistance:
 - Grant request **may not exceed 25%** of eligible costs and the **minimum request is \$2,500 (RE) and \$1,500 (EE).**
 - Renewable energy projects, the **maximum grant request is \$500,000.**
 - Energy efficiency projects, the **maximum grant request is \$250,000.**



Renewable Energy & Energy Efficiency Program

- Loan Assistance (2008):
 - Loan request **may not exceed 50%** of eligible costs.
 - **\$10 million maximum loan request.**



Renewable Energy & Energy Efficiency Program Energy Efficiency Projects



Grocery Store,
northeast Kansas



Grocery Store,
south-central Kansas



Other Business Programs

- Value-Added Producer Grant Program
- Rural Business Opportunity Grant Program
- Intermediary Relending Program



USDA Rural Development Contacts:

- Newton 316-283-0370
- Garden City 620-275-0211
- Hays 785-628-3081
- Manhattan 785-776-7582
- Iola 620-365-2901





Committed to the future of rural communities.
