



Rural Utilities Service, USDA, Rural Development

Water and Environmental Programs

Direct Loans and Grants



Infrastructure and Services for Rural America

- 80 Years serving Rural America
- Building capacity through technical assistance
- Access to affordable financing for small systems
- Eligibility
 - Serving cities, towns and rural areas of 10,000 or less
 - Municipalities, non-profit and Native American entities



LOAN/GRANT PURPOSES

- **WATER** - Construct, repair, improve or otherwise modify rural water supply and distribution lines including hydrants, pumping stations, treatment and storage



- **WASTEWATER** - Construct, repair, improve or expand wastewater collection, pumping, treatment or other disposal facilities



LOAN/GRANT PURPOSES

- **STORM WATER** -Construct, repair, improve, expand or modify storm water systems including storm water collection lines, culverts, retention ponds
- **Related soft costs** - engineering, legal, rights of ways, land acquisition
- **Purchase of Equipment**
- **Possible debt refinance** - assist with financial feasibility and small portion of the project being funded.



LOAN TERMS/INTEREST RATES

Loan Terms – up to 40 years

Interest Rates determined by Median Household Income (MHI) of Service Area

MHI Based on ACS 5 Year Data 2006-2010.

Interest Rates (October-December 2018)

Poverty ⁽¹⁾	2.375%	MHI	<\$42,886
Intermediate	3.250%	MHI	<\$53,608
Market	4.000%	MHI	>\$53,608

(1) Project must also have a health and sanitary mandate



WATER AND WASTEWATER GRANTS

- Grants made in conjunction with direct loans
- Achieve reasonable user rates
- Priority to smallest, most needy communities
- Priority to help communities with health and sanitary issues and State and Federal regulatory agency compliance issues





OPPORTUNITIES OF FUNDING

- Low interest rates
- Longest fixed rate term available
- Commitment prior to authorizing design
- No fees for RD services
- RD's commitment to customer service
- No pre-payment penalties



ENVIRONMENTAL

- RD Environmental Regulation – 7 CFR 1970
- 3 Categories of reviews – Depends on type of activity and impact
 - Categorical Exclusion (CATEX) – line replacement
 - CATEX with ER – small scale site development
 - Environmental Assessment – large scale –new systems



APPLICATION PROCESS

- Initial Planning and Application Meeting
- Full application submitted including Preliminary Engineering Report (PER) and Environmental Report
- Funding Commitment and Loan Approval
- Design Stage/Bidding/Contract Award
- Interim Financing - Construction Phase
- Closing
- Servicing





HOW TO APPLY

- Applications are accepted year round
 - No waiting list
 - File electronically using RD APPLY
- or
- Contact your local RD Program Specialist to apply with a paper application
 - Program resources are also available online



RD APPLY

- New online application intake system – applicants can now apply electronically versus paper applications
- Faster processing
- Less paper
- Safe and secure, 24/7 access
- Website: <http://www.rd.usda.gov/programs-services/rd-apply>



www.rd.usda.gov/pa



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