

# USDA



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## Rural Development — Housing and Community Facilities Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Single Family Home Ownership Direct Loans (Section 502)</b>	Safe, well-built, affordable homes for rural Americans.	Families and individuals. Apply to Rural Development.	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.	Rural areas with 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. Applicant may be eligible for payment assistance (subsidy) on the loan.
<b>Single Family Home Ownership Guaranteed Loans (Section 502)</b>	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Families and individuals. Apply to lender.	Purchase new or existing home.	Rural areas with 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.
<b>Single Family Home Ownership Direct Repair Loans and Grants (Section 504)</b>	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 or replace roof, winterizing, purchase or repair of heating system, structural repair, and water and sewage connect fees, and similar uses.	Rural areas with populations of 20,000 or less.	Direct loan and grant.	Loan terms to 20 years at 1 percent. Assistance to individual may not exceed \$20,000. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1 percent loan.
<b>Mutual Self-Help Housing Grants (Section 523)</b>	Assist lower income families in building their own homes.	Non-profits and public bodies.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Rural areas with populations of 20,000 or less.	Grant.	Grant agreement.
<b>Rural Rental Housing Direct Loans (Sections 515)</b>	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 with 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.
<b>Rural Rental Housing Guaranteed Loans (Section 538)</b>	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 with 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.
<b>Housing Preservation Grants (Section 533)</b>	Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families.	Public bodies and non-profit organizations. Apply to Rural Development.	Operation of a program which finances repair and rehabilitation activities for single family and small rental properties.	Rural areas with populations of 20,000 or less.	Grant.	Grant agreement.
<b>Farm Labor Housing (Sections 514 &amp; 516)</b>	Safe, well-built affordable rental housing for farm workers.	Individuals, public and private non-profit organizations. Apply to Rural Development.	New construction or substantial rehabilitation of rental housing.	No population restriction.	Direct loan and grant.	Up to 102 percent of total development cost. Up to 33 years to repay at 1 percent interest.
<b>Community Facilities (Faith-Based and First Responder)</b>	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 with 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.

*Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved banks, mortgage companies)*

*Revised - January 2011*

# Rural Development — Business and Cooperative Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Business and Industry Guarantee Loans</b>	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Businesses. Apply through Federal or State chartered banks, credit unions, or savings & loan associations.	Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of businesses that create rural employment.	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.	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
<b>Intermediary Relending Program Loans</b>	Finance business facilities and community development projects in rural areas.	Public bodies, non-profit corporations, Native American tribes, and cooperatives. Apply to Rural Development.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and incorporated places with populations of less than 25,000.	Direct loan.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1 percent for 30 years.
<b>Rural Business Enterprise Grants</b>	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private non-profit corporations, and federally recognized Native American tribal groups. Apply to Rural Development.	Buy and develop land, establish a revolving loan fund, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, and rural distance learning networks.	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.	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.
<b>Rural Business Opportunity Grants</b>	Finance technical assistance for business development and conduct economic development planning in rural areas.	Public bodies, non-profit corporations, Indian tribes on Federal or State reservations, and cooperatives with members that are primarily rural residents.	Technical assistance, leadership training, establishment of business support centers, economic development plans.	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.	Grant.	Must be completed within 2 years after project has begun.
<b>Rural Economic Development Loans and Grants</b>	Finance economic development and job creation in rural areas.	Electric and telephone utilities eligible for financing from the Rural Utilities Service. Apply to Rural Development.	Promote rural economic development and/or job creation projects including feasibility studies, startup costs, and business incubators.	Rural areas and places with populations of 2,500 or less.	Direct loan and revolving loan fund grant.	The intermediary (electric or telephone utility) makes loans to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0 percent for 10 years.
<b>Rural Cooperative Development Grants</b>	Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.	Non-profit corporations and institutions of higher education. <b>Apply directly to Rural Development National Office.</b>	To conduct feasibility studies, business plans, and applied research as well as provide training and other technical assistance to new and existing cooperatives and businesses.	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.	Grant.	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis.
<b>Value-Added Agricultural Product Market Development Grants</b>	Assist independent agricultural producers to enter into activities that add value to their commodities.	Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Apply directly to Rural Development National Office.	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.
<b>Small Minority Producer Grants</b>	Technical Assistance	Cooperatives or associations of cooperative whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority.	To conduct technical assistance such as market research, product and/or service improvement; legal advice and assistance; feasibility study, business plan and marketing plan development; and training.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Grant.	Applicants must meet specific selection criteria and grants are awarded on a competitive basis. Funds are to be used only for Technical Assistance. There are no matching requirements for this program.

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# Rural Development – Energy Programs (Under Business Programs)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Rural Energy For America Program</b>	Promote energy efficiency and renewable energy development.	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.	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. Loans cannot exceed 50 percent of eligible project costs. Grants are awarded on a competitive basis. Grant cannot exceed 25 percent of eligible project costs.
<b>REAP 9007 Grant</b>	Provide assistance for energy efficient improvements or purchase of a renewable energy system for operations	Small Businesses and Agricultural Producers	Energy Efficient Improvements defined by Energy Audit/Assessment and/or purchase of a renewable energy system.	Cities, towns, unincorporated areas with population less than 50,000.	Grant	Simplified Apps under \$200,000 for E.E. Audits required over \$50,000. For R.E. Feasibility Study required for over \$200,000. Complete applications processed by Area Office and submitted to State Office. Currently NOFA determines a deadline for applications to be submitted to State Office. Grant awards determined by National Office, State Allocation in near future.
<b>REAP 9007 Loan Guarantee</b>	Provide assistance for energy efficient improvements or purchase of a renewable energy system for operations	Small Businesses and Agricultural Producers	In addition to authorized purposes under grant can also cover land acquisition and working capital.	Cities, towns, unincorporated areas with population less than 50,000.	Loan	Simplified Apps under \$600,000. Complete Applications processed by Area Office and submitted to State Office. Currently NOFA determines a deadline for applications to be submitted to State Office. Grant awards determined by National Office, State Allocation in near future.
<b>REAP Feasibility Study Grant</b>	Provide assistance for 25% of the cost of a feasibility study.	Small Businesses and Agricultural Producers	Feasibility Studies for Implementation of a Renewable Energy System from Wind, Solar, Biomass, Geothermal, Hydro Power, Hydrogen producing electricity, heat or fuel.	Cities, towns, unincorporated areas with population less than 50,000.	Grant	25% of cost, \$50,000 max. Complete Applications processed by Area Office and submitted to State Office. Currently NOFA determines a deadline for applications to be submitted to State Office. Grant awards determined by National Office.
<b>REAP/EA/REDA Grant</b>	Provide grant to entity to pass through to a small business or agricultural producer for 75% of the cost of an energy audit or renewable energy development assistance.	State, tribal, or local government; institutions of higher education; rural electric cooperatives; or a public power entity.	\$100,000 Grant to Entity, make smaller grants to small business and ag. producers for 75% of energy audit or renewable energy development assistance.	Cities, towns, unincorporated areas with population less than 50,000.	Grant.	\$100,000 to Entity and up to 75% of the cost of energy audit for renewable energy development assistance. Complete Applications processed by Area Office and submitted to State Office. NOSA determines the deadline for this program and applications are submitted to the State Office. Grant Awards determined by National Office.
<b>9003 Biorefinery Assistance Program Guaranteed Loan</b>	The purpose of this program is to provide guaranteed loans for the development and construction of commercial-scale biorefineries or for the retrofitting of existing facilities using eligible technology for the development of advanced biofuels.	Individual, Indian Tribe, State or Local Government, Corporation, Farm Cooperative, Association of Agricultural Producers, National Laboratory, Institution of Higher Learning, Rural Electric Cooperative, Public Power Entity, Consortium of any of the entities.	Guaranteed Loan to develop & construct commercial scale biorefinery or retrofitting of an existing facility to use eligible technology for the development of advanced biofuels.	Cities, towns, unincorporated areas with population less than 50,000.	Loan	\$250 Million Guaranteed Loan (= or > \$125 Mil 60% Guarantee, = or > \$80 Mil 70% Guarantee, = or < \$80 Mil 80% Guarantee.) Complete Applications directly submitted to National Office for review. NOFA determines deadlines for the program and applications are submitted directly to the National Office. Guaranteed Loads determined by National Office.
<b>9004 Repowering Assistance</b>	Provide payments to existing biorefineries in replacing fossil fuels with biomass.	Existing Biorefineries	Grant to existing biorefineries including ethanol and biodiesel that use electricity generated from natural gas and coal and require this for fermentation process.	Cities, towns, unincorporated areas with population less than 50,000.	Grant	As funds are available. Complete Applications directly submitted to National Office for review. This program authorized in last Farm Bill, deadline has not come out yet Grant awards determined by National Office.
<b>9005 Bioenergy for Advanced Biofuels</b>	Provide payments to producers of advanced biofuels.	Eligible Producers of advanced biofuels.	Grant to producers of advanced biofuels (non-corn based.)	Cities, towns, unincorporated areas with population less than 50,000	Grant.	As funds are available. Complete Applications directly submitted to National Office for review. This program authorized in last Farm Bill, deadline has not come out yet. Grant awards determined by National Office.
<b>9008 Renewable Energy Biomass Research and Development Program</b>	Grant must be matched with at least 20% of Nonfederal funds for R&D and at least 50% of Nonfederal funds for Demonstration Projects.	Institutions of Higher Learning, National Laboratory, Federal Research Agency, State Research Agency, Private Sector Entity, Nonprofit R&D Organization, Consortium of two of the above type entities.	Promote Research and Development and demonstration regard the production of biofuels and bioproducts.	Cities, towns, unincorporated areas with population less than 50,000.	Grant.	As funds are available. Complete Applications directly submitted to National Office for review. NOFA determines deadlines for this program and applications are submitted directly to the National Office. Grant awards are determined by National Office and Department of Energy.

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# Rural Development — Utilities Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<b>Water and Waste Disposal Loans and Grants</b>	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.
<b>Water and Waste Disposal Loan Guarantees</b>	Provide loan guarantees to lenders serving financially needy applicants.	Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development.	Construct, repair, modify, expand, improve water supply and distribution systems, and waste collection and treatment systems. Also other related costs.	Rural areas, cities, and towns with up to 10,000 population.	Loan guarantee.	Eligible lenders obtain up to a 90 percent guarantee on loans they make and service. Lenders should contact Rural Development Area or State Office.
<b>Solid Waste Management Grants</b>	Provide technical assistance and/or training to help communities reduce or eliminate pollution of water resources and improve planning and management of solid waste sites.	Non-profit organizations and public bodies. Apply to Rural Development.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities.	Rural areas, cities and towns with up to 10,000 population.	Grant.	Projects are funded based on selection at the National level. Applications are accepted from October 1 to December 31 of each year.
<b>Rural Broadband Loans and Loan Guarantees</b>	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Cannot serve more than 2 percent of the telephone subscriber lines installed in the U.S.	The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunications Program debt.	Eligible rural communities with a population of 20,000 inhabitants or less.	Direct loan and loan guarantee.	Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of the assets financed. Loans are guaranteed at the interest rate set by the private lender for no more than 80 percent of the principal amount.
<b>Electric and Telecommunications Loans and Guarantees</b>	Provide financial aid through direct and guaranteed loans for electric and telecommunications services.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities. Apply directly to Rural Development National Office.	Generation, bulk transmission facilities, and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable, along with traditional main system telecommunications service and broadband services.	Electric: Rural areas as defined by the U.S. Census. Telecommunication: Rural areas with populations of 5,000 or less.	Direct loan and loan guarantee.	Interest rates are established in accordance with 7 CFR 1745.
<b>Distance Learning and Telemedicine Loans and Grants</b>	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities, including municipal corporations, on a for profit or not-for-profit basis, that operate rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, ex-ray scanners, and digital microscopes.	Rural areas with populations of 20,000 or less.	Direct loan and/or grant.	Matching funds are required.

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