USDA Rural Development

http://www.rurdev.usda.gov/pa
USDA Rural Development
Mission Statement
Pennsylvania

To increase economic opportunity and improve the quality of life for all rural Americans
Rural Development Improves the Quality of Life for Rural Americans

**Housing and Community Facilities Programs** finances decent, affordable housing as well as rural community loan programs

**Business and Cooperative Programs** includes cooperative development and technical assistance, plus business development financial programs

**Utilities Programs** offers water and sewer programs along with telephone and electric programs
COMMUNITY FACILITIES LOAN PROGRAM

Purpose:

- To provide loans to construct or improve essential community facilities for public use in rural areas and towns.
WHO IS ELIGIBLE FOR COMMUNITY FACILITIES ASSISTANCE?

- Public bodies
- Nonprofit organizations
ELIGIBLE APPLICANTS

• Primarily serve rural areas – city or town with population of 20,000 or less
• Provide certification they are unable to obtain other credit
• Have legal authority to own, construct, operate, and maintain the facility, issue security for and repayment of the debt
GUARANTEED LOANS
COMMUNITY FACILITIES
GUARANTEED LOANS

• All loans eligible for up to 90% guarantee against loss

• Interest rates and terms are negotiated between lender and borrower.

• No maximum loan limits; amount is based on project feasibility, reasonable project costs and cash-flow
COMMUNITY FACILITIES GUARANTEED LOANS

• Lender uses own promissory notes, loan agreements and security instruments
• Flexible terms allow lenders to extend long term loans to their customers
• Only a one time 1% guarantee fee charged and may be included in the loan
COMMUNITY FACILITIES
GUARANTEED LOANS
ELIGIBLE LENDERS

• Any Federal or State chartered Bank or Savings and Loan Association
• Any Mortgage Company – part of Bank holding company
• Credit Unions
• Banks for Cooperatives, State Bond Banks
COMMUNITY FACILITIES
DIRECT LOANS
COMMUNITY FACILITIES
DIRECT LOANS

Loans made directly to borrowers

Borrower must certify they are unable to obtain credit elsewhere

No maximum loan amount-based projects costs/financial feasibility
COMMUNITY FACILITIES
DIRECT LOANS

INTEREST RATES------

- Fixed for life of loan
- Based on median household income of area being served
- Range Between 3.5% - 4.5%
COMMUNITY FACILITIES
DIRECT LOANS

• **MAXIMUM TERMS**
  - 40 years/fully amortized
  - Lifetime of facility
  - State/Local Laws
COMMUNITY FACILITIES
GRANTS
COMMUNITY FACILITIES
GRANTS

• Small program

• Grant eligibility determined by median household income and population

• Grant amount based on total project costs and financial feasibility
EXAMPLES OF ESSENTIAL COMMUNITY FACILITIES
TRANSPORTATION

- AIRPORT HANGAR
- BRIDGES
- OFFSTREET PARKING
- SIDEWALKS
- STREET IMPROVEMENTS
- SPECIAL TRANSPORTATION EQUIPMENT
CULTURAL AND EDUCATIONAL

- LIBRARY
- MUSEUM
- PUBLIC SCHOOL
- CHARTER SCHOOL
- STUDENT HOUSING
COMMUNITY HEALTH CARE

- ASSISTED LIVING CENTERS
- NURSING HOME
- DENTAL CLINIC
- REHABILITATION CENTERS
- HOSPITALS
FIRE, RESCUE AND PUBLIC SAFETY

- Communication Center
- Fire Department Facility
- Civil Defense Building
- Fire Trucks
- Police Station
- Multi-Service Fire/Rescue Bldg.
- Jail
Slippery Rock Borough PD
PUBLIC BUILDINGS

• ADULT DAY CARE CENTER
• CHILD DAY CARE CENTER
• COURTHOUSE
• MUNICIPAL BUILDINGS
• PUBLIC MAINTENANCE BUILDING
• COMMUNITY CENTER
Deemston Borough Building
Utilities Programs
Utilities Programs

★ Water & Waste Disposal Loans & Grants
★ Water & Waste Disposal Guarantees
★ Solid Waste Management Grants
★ Electric & Telecommunications (REA)
★ Distance Learning & Telemedicine (DLT)

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Eligibility Criteria

★ Public Entities - Townships, Boroughs, Authorities
★ Non-profit corporations/associations with community-based membership
★ Rural areas - any area not in a city or town with a population in excess of 10,000 inhabitants.
Predevelopment Planning Grants

- Medium Household Income must be less than 80% of Pennsylvania’s MHI
- Maximum Amount - $15,000
- RD must fund the project
Authorized Loan/Grant Purposes

★ Construct, repair, improve, expand, or otherwise modify rural WATER supply

and distribution lines including distribution lines, hydrants, pumping stations, & water tanks
Authorized Loan/Grant Purposes

★ Acquire water supply or water rights (i.e.: wells, reservoirs)
Authorized Loan/Grant Purposes

★ Construct, repair, expand, improve or otherwise modify WASTE collection, pumping, treatment, or other disposal facilities
Authorized Loan/Grant Purposes

★ Construct, repair, improve, expand, or otherwise modify STORM WATER systems

including storm sewer collection lines, retention ponds, culverts, wetlands
Authorized Loan/Grant Purposes

★ Related soft costs (e.g.: engineering, legal, ROWs, land acquisition, interest, O&M expenses)

Refinancing, if financially feasible and as a small portion (<50%) of a project.
Swan Plan Sanitary Sewer Improvement Project

Brownsville Municipal Authority
7 Jackson Street, Brownsville, PA 15417

Fayette Engineering Company, Inc.
2200 University Drive, Lemont Furnace, PA 15456

Fleming-Walker, Inc.
1612 Perry Highway, Portersville, PA 16051

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This institution is an equal opportunity provider.
Lower Ten Mile
Phase I Pump Station
Center West Joint Sewage Authority.
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