



USDA Rural Development
April 8, 2025

USDA Rural Development

- USDA Rural Development Mission
 - Committed to helping improve the economy and quality of life in rural America
- The mission is accomplished by:
 - Providing support for essential public facilities and services such as water and sewer systems, housing, hospitals, health clinics, educational facilities (schools), farmers markets, emergency service facilities and electric and telephone service

USDA Rural Development (RD) Programs

Four USDA Rural Development (RD) Offices in Kansas:

Topeka, KS (State Office)

Hays, KS (Area Office)

Iola, KS (Area Office)

Newton, KS (Area Office)



Community Facilities Program Overview

- Program Information
 - Population of 20,000 or less
 - Current interest rates very attractive
 - Up to 40-year term or life of the facility
 - Applications taken year around
- Eligible Entities
 - Public Bodies
 - Special Purpose Districts
 - Federally Recognized Native American Tribes
 - Non-Profit Organizations



Community Facilities Program Overview

- Community Facilities Loan
- Community Facilities Grant
 - Limited annual allocation
- Community Facilities Guaranteed Loans



Community Facilities Program - Special Grants and Initiatives

- Community Facilities Technical Assistance and Training Grant
- Distance Learning and Telemedicine Grant
- Rural Community Development Initiative

Community Facilities – Eligible Projects

- Hospital, Medical Clinic
- Nursing Home, Assisted Living Facility
- Fire Station, Fire and Rescue Equipment
- Ambulance, Police Vehicles and Equipment
- Storm Siren, Storm Shelter
- Library, Community Center, Museum
- School Cafeteria Improvements
- Food Pantry, Farmers Market
- Equipment
- And various other projects essential to the Community



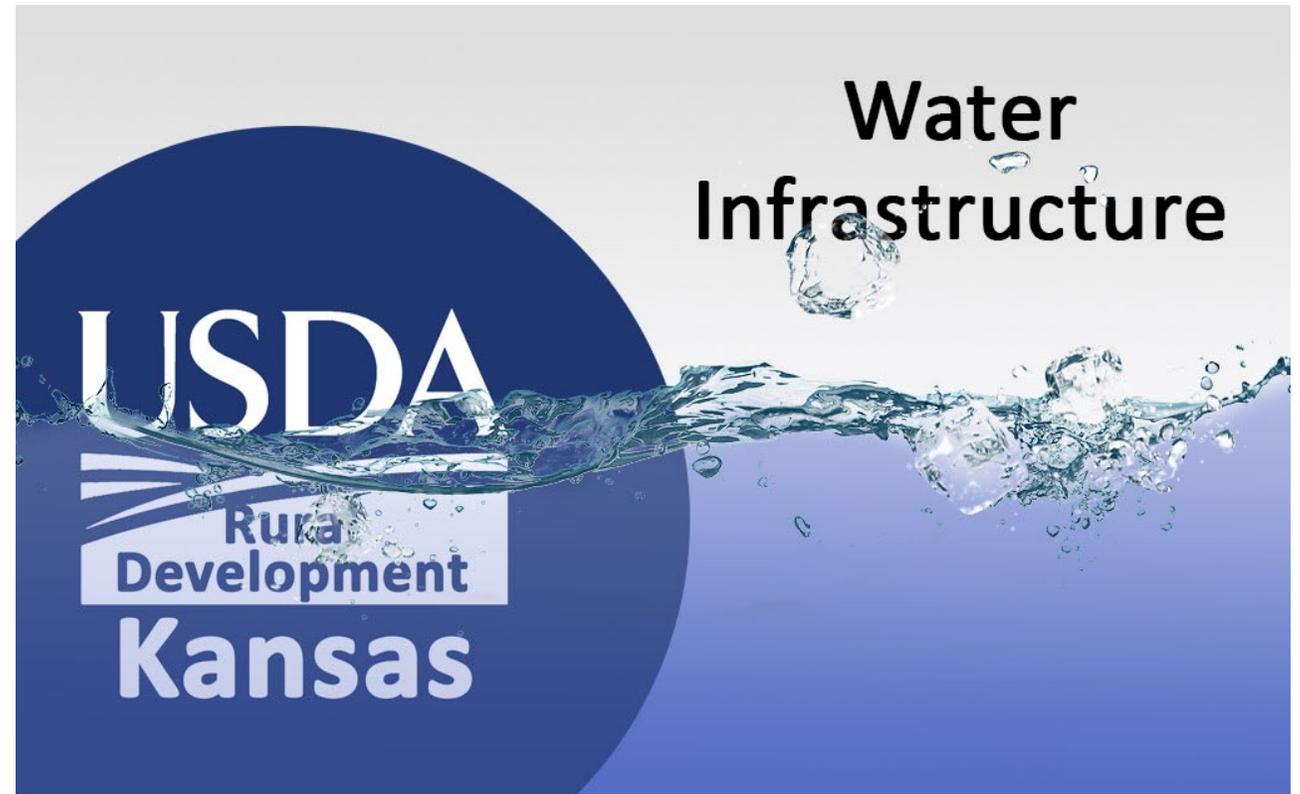
Water & Environmental Program Overview

- Program Information
 - Population of 10,000 or less
 - Current interest rates very attractive
 - Up to 40-year term or life of the facility
 - Applications taken year around
- Eligible Entities
 - Public Bodies
 - Special Purpose Districts
 - Federally Recognized Native American Tribes
 - Non-Profit Organizations



Water & Environmental Program Overview

- Water Projects
 - Distribution
 - Treatment
- Wastewater Projects
 - Collection
 - Treatment
- Storm Water Projects
- Solid Waste Projects



Water & Environmental Program Overview

- Types of Assistance
 - Direct loans
 - Grants
 - Guaranteed Loans
- Technical Assistance



Water & Environmental Program - Planning Grants

- Special Evaluation Assistance for Rural Communities and Households (SEARCH) Grants
 - Communities of 2,500 or fewer
 - No matching funds required
 - Maximum amount \$30,000
- Pre-Development Grants
 - Little bigger communities
 - 25 percent matching funds required
 - Maximum amount \$60,000



USDA Rural Development Single Family Housing Programs



Section 504 Repair Loans And Grants

Who may apply?

- Be the homeowner and occupy the house
- Be unable to obtain affordable credit elsewhere



- Have a family income below 50 percent of the area median income
- For grants, be age 62 or older and unable to repay a repair loan
- Loans – creditworthy – streamlined credit with 620+ score, no significant delinquency
- Loans/grants - no delinquent Federal debt

How much money can I get?

- Maximum loan is \$40,000.
- Maximum grant is \$10,000.
- Loans and grants can be combined for up to \$50,000 in assistance





Loan Terms

- Loans can be repaid over 20 years.
- Loan interest rate is fixed at 1%.
- Full title service is required for loans of \$25,000 or more.
- Grants have a lifetime limit of \$10,000.
- Grants must be repaid if the property is sold in less than 3 years.
- If applicants can repay part, but not all the costs, applicants may be offered a loan and grant combination.



Mutual Self-Help Housing Technical Assistance Grants

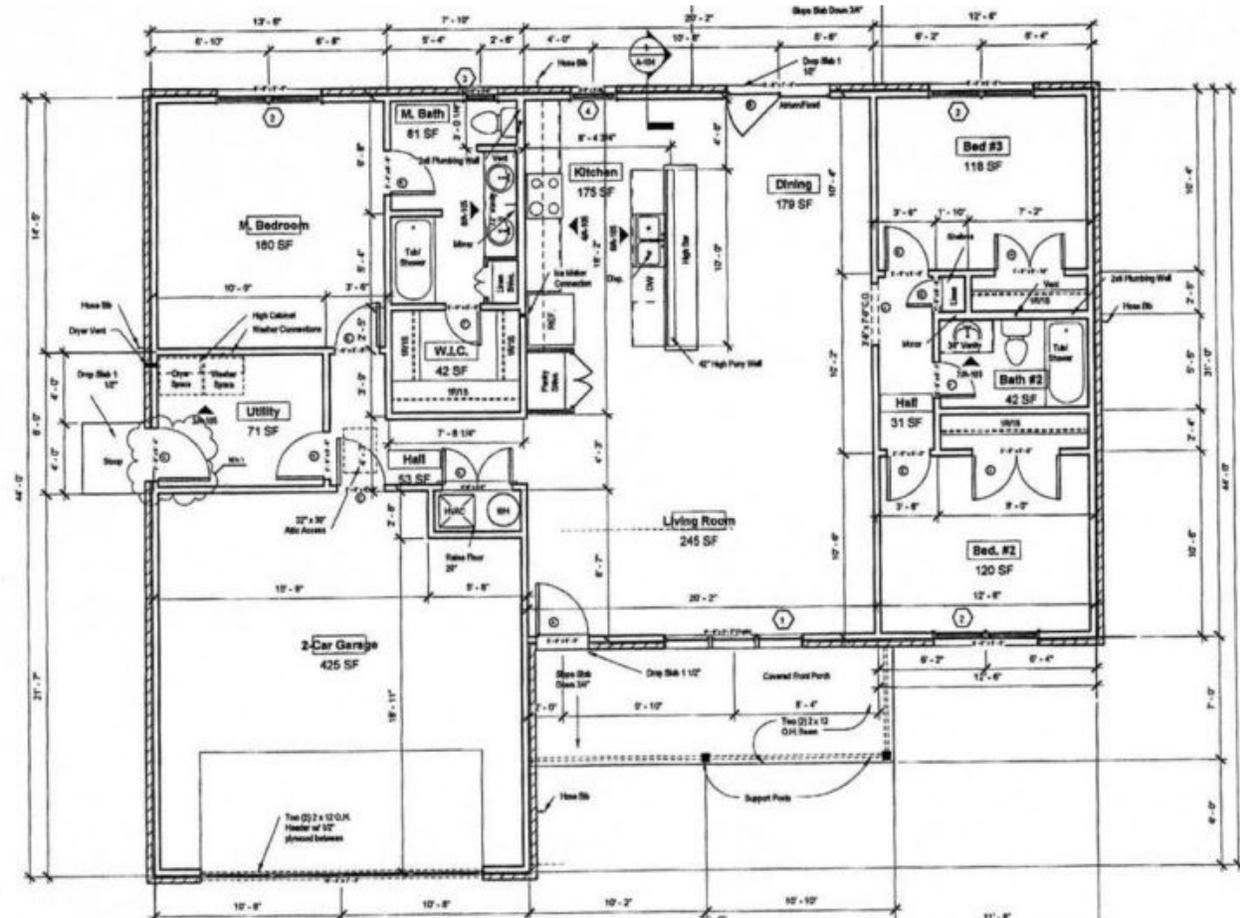
What does this program do?

- Provides grants to qualified organizations to help them carry out local self-help housing construction projects.
- Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas.
- The group members provide most of the construction labor on each other's homes, with technical assistance from the organization overseeing the project.

Who may

Eligible applicants include:

- Government non-profit organizations
- Federally-recognized Tribes
- Private non-profit organizations



How may the funds be used?

- Give technical and supervisory assistance to participating families
- Help other organizations provide self-help technical and supervisory assistance
- Recruit families, help them complete loan applications and carry out other related activities that enable them to participate

Funds MAY NOT be used to:

- Hire people to perform construction work for participants
- Buy real estate, building materials, or other property
- Pay debts, expenses, or costs for the participants.
- Pay for employee training or other indirect costs. Contact your local office for details.





How do we get started?

Contact:

LIFT Community Action Agency Inc

209 N 4th, Hugo OK 74743

(580) 326-5165

www.liftca.org

Housing Preservation Grants

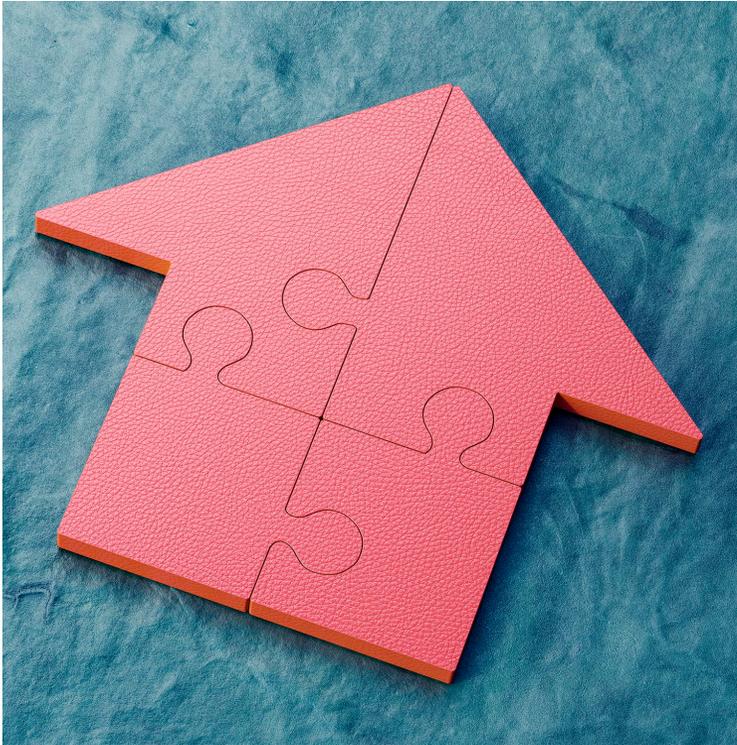


What does this program do?

Provides funds to qualified Organizations to repair or rehabilitate housing occupied by very-low and low-income families in eligible rural areas.

Who may apply?

- Most state and local government entities
- Nonprofit organizations
- Federally-recognized Tribes
- Individuals apply through an organization that has received a Housing Preservation Grant, not directly to USDA Rural Development



How may the funds be used?

- Organizations provide grants or low interest loans to repair or rehabilitate housing for very-low- and low-income families
- Rental and cooperative properties that house very-low and low-income tenants can also get help to repair or rehabilitate those units
- Eligible expenses

Eligible expenses include:

- Repairing or replacing foundations, roofs, insulation, electrical wiring, heating systems, and water and waste disposal systems
- Installing features to address mobility or other accessibility needs
- Labor and materials
- Eligible administrative expenses up to 20 percent of the award
- A complete list of eligible expenses can be found in the Code of Federal Regulations 1944.664 (available at this link: <https://go.usa.gov/xz6tM>)

How do we get started?

Applications are accepted annually through a notice published in the Federal Register.

Application window updates also are available on the Rural Development Housing Preservation Grant program webpage at this link:

<https://go.usa.gov/xz6zh>





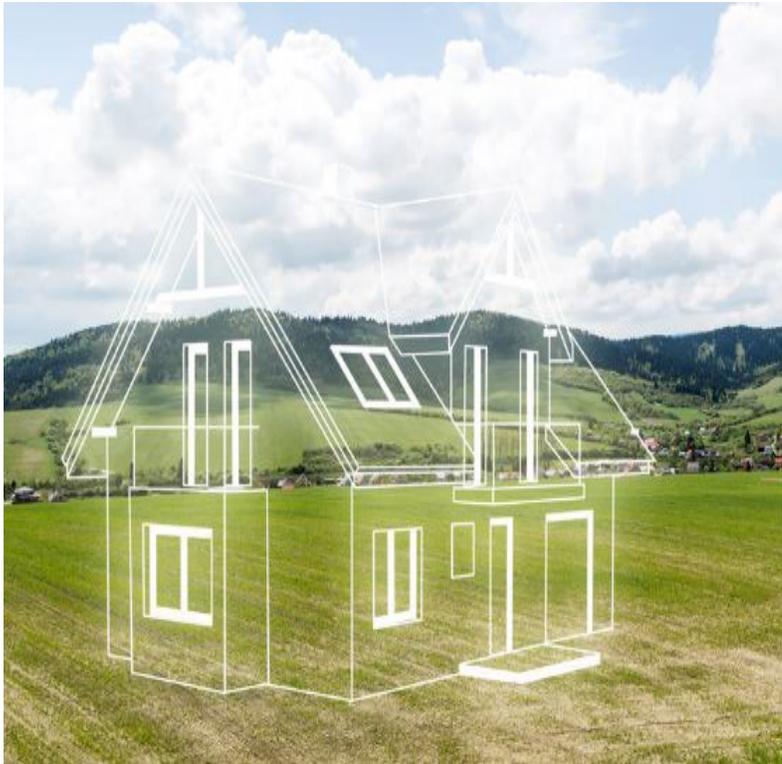
Rural Housing Site Loans

What does this program do?

Rural Housing site loans provide two types of loans to purchase and develop housing sites:

- Section 523 loans are used to acquire and develop sites only for housing to be constructed using the Self-Help method. You can learn more about the USDA Rural Development Self- Help Housing Program at this link: <https://go.usa.gov/xzHV4>, and also in RD Instruction 1944-I, available at this link: <https://go.usa.gov/xzHVb> (PDF).
- Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.

Who may apply?



- Section 523 loans: Private or public nonprofit organizations that will provide sites solely for self-help housing
- Section 524 loans: Private or public nonprofit organizations. The building site can be sold to low- or moderate-income families
- Nonprofits that have the legal authority to operate a revolving loan fund
- Nonprofits that have the financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations
- Federally-recognized Tribes (information is available at this link: <https://go.usa.gov/xzHPW>)

How may the funds be used?

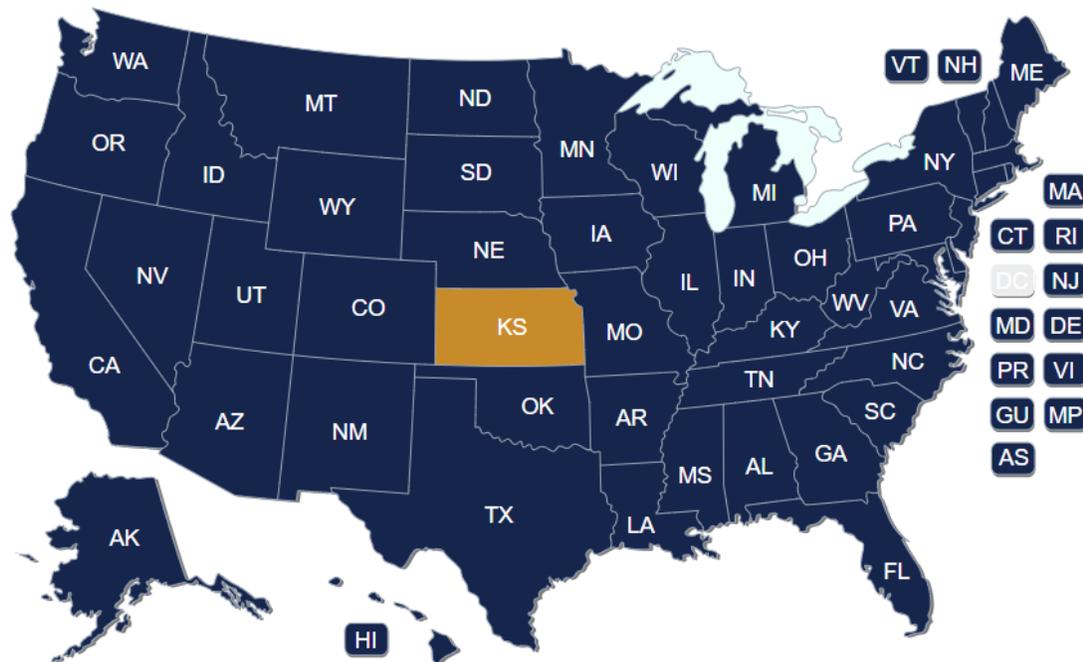
Site loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.

Loan Terms:

- 5-year loans
- Section 523 loans: 3 percent interest rate
- Section 524 loans: below market rate (established and published monthly); fixed at closing

How do we get started?

<https://www.rd.usda.gov/programs-services/single-family-housing-programs/rural-housing-site-loans>



Applications are accepted
year-round.

Apply through
your local RD office.



USDA Rural Development

Business and Cooperatives Programs

USDA Rural Development (RD) Programs

RD has multiple programs to support Rural America

- **Business and Cooperative Programs (BP)**

For more information: rd.usda.gov



USDA Rural Development (RD) Programs

Business Programs:

- **Rural Energy for America Program (REAP)**
- **Business & Industry Guaranteed Loan Program (B&I)**
- Some other programs:
 - Grants: RBDG, VAPG
 - Loans/Relending: REDLG, IRP
 - Energy: 9005, HBIIP

<https://www.rd.usda.gov/programs-services/business-programs>

USDA Rural Development (RD) Business Programs

Rural Area

- Business must be located in an eligible rural area
- Ineligible areas are cities or towns that have a population of greater than **50,000** inhabitants and any urbanized area contiguous and adjacent to such city or town
- Rural area determination tool:
<http://eligibility.sc.egov.usda.gov/eligibility/>
- Rural area determination tool alternate link:
<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RBSmenu>

Rural Energy for America Program (REAP)



Rural Energy for America Program (REAP)

REAP Program Overview

- Provides grant funding or guaranteed loan financing to:
 - Rural small businesses
 - Agricultural producers
- Eligible projects include:
 - Energy Efficiency Improvements
 - Renewable Energy Systems



Rural Energy for America Program (REAP)

Applications Deadlines

- Fiscal Year 2025
 - Various
- Guaranteed Loan applications accepted continuously, year-round

Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power

Rural Energy for America Program (REAP)

REAP Grants

- Reimbursement after project is complete
- Up to **25% of Eligible Project Cost**
- Minimum and maximum amounts based on project type:

 Renewable Energy Systems	 Energy Efficiency Improvements		
Minimum Total Project Cost	\$10,000	Minimum Total Project Costs	\$6,000
Maximum Grant Request	\$1,000,000	Maximum Grant Request	\$500,000

Rural Energy for America Program (REAP)

Krehbiels Specialty Meats, Inc.

- McPherson, KS
- Replaced existing lighting with energy efficient LED lighting in the retail store and processing plant
- Energy savings with approximately 2.53-year simple payback
- Total project cost \$24,285, received a \$6,071 REAP grant



Rural Energy for America Program (REAP)

Peabody Market

- Peabody, KS
- Replaced inefficient coolers and refrigerators
- Significant Energy savings
- Total project cost was \$36,200, received a \$9,050 REAP grant



Rural Energy for America Program (REAP)

Sollo Vineyard

- Whitewater, KS
- Purchase and install a 53-kilowatt solar array
- The solar energy created will replace 80% of the business' energy use per year
- Total project cost was \$103,696, received a \$20,000 REAP grant.



Rural Energy for America Program (REAP)



REAP Guaranteed Loans

- Up to 75% of Eligible Project Costs

Minimum Loan Amount	\$5,000 Total eligible project costs \geq \$6,667
Maximum Loan Amount	\$25 million Total eligible project costs \geq \$33.4 million
Details	<ul style="list-style-type: none">• USDA guarantees a commercial loan, applicant must have a willing lender• Terms are negotiated between the lender and borrower• Fees, appraisals, equity and collateral requirements apply

Business & Industry Guaranteed Loans (B&I)



Business & Industry (B&I) Guaranteed Loans

Eligible Business Entities

- Corporations (profit or non-profit)
- Sole Proprietors
- Cooperatives
- Partnerships
- Indian Tribes



Business & Industry (B&I) Guaranteed Loans

Application Process

- Lender works with borrower to submit an application to the Rural Development office where the business is located.
- Lender is encouraged to work with Rural Development (RD) early in process to make determination of project eligibility.
 - Lender may submit a pre-application to assist with eligibility determination.
- Agency reviews application, conducts an environmental review, and addresses any concerns with Lender.
- Agency issues a conditional commitment.
- Once conditions are met, Agency issues the loan note guarantee.

Business & Industry (B&I) Guaranteed Loans

Loan Purposes:

- Business acquisition
- Real estate purchases and improvements
- Machinery and equipment
- Working capital
- Debt refinancing



Business & Industry (B&I) Guaranteed Loans

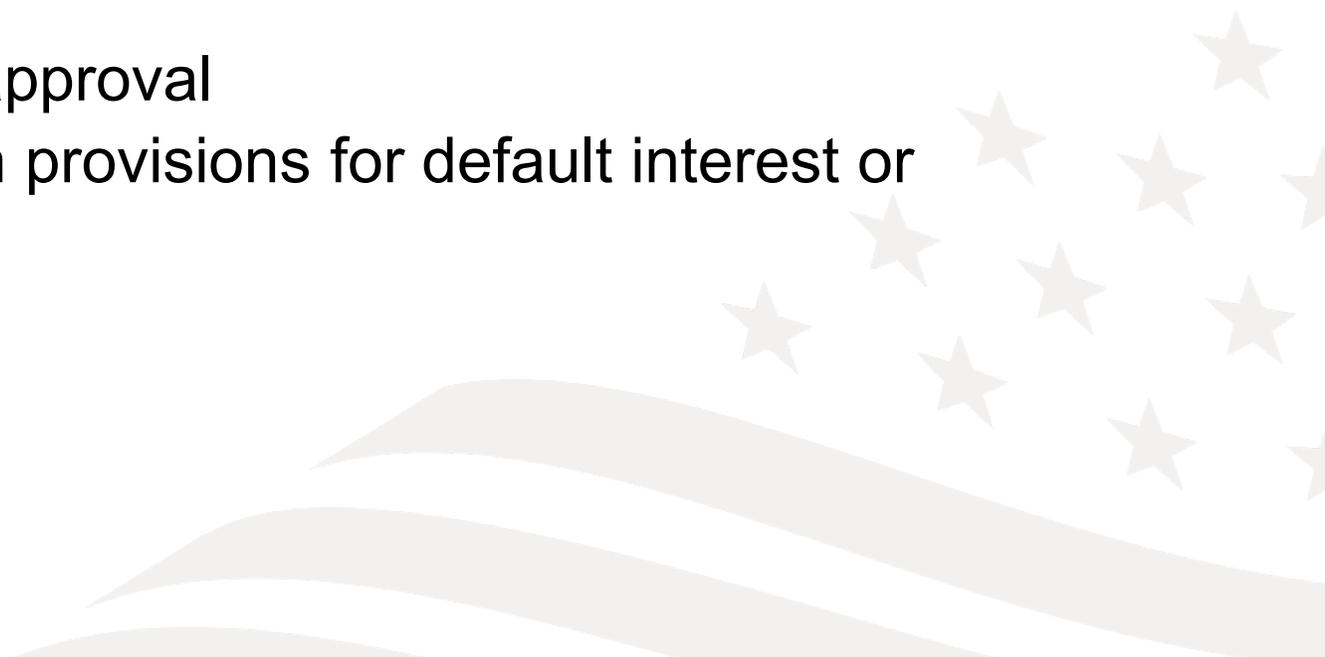
Loan Limits:

- B&I Minimum loan amount: None
- B&I Maximum loan amount: \$25 million



Business & Industry (B&I) Guaranteed Loans

Interest Rates:

- Negotiated between the lender and borrower
 - May be fixed, variable, or a combination
 - Cannot be more than rates customarily charged borrowers for loans without guarantees
 - Subject to Agency review and approval
 - Promissory note cannot contain provisions for default interest or penalty interest
- 

Business & Industry (B&I) Guaranteed Loans

Loan Terms – Repayment Period:

- Lender driven based on what lender historically provides
- Should be justifiable based on the useful life of the collateral
- Chart shows typical maximum lengths:

Real Estate	30 years
Machinery and Equipment	15 years
Working Capital (WC)	7 years



Business & Industry (B&I) Guaranteed Loans

Fees and Percentage of Guarantee:

- Business & Industry Guaranteed Loans
 - Initial guarantee fee: 3%, 1% reduced fee for some projects
 - Annual renewal fee: 0.55%
 - Issuance before construction: 0.5%
 - Guarantee: 80% of loan amount



Questions?

