



Committed to the future of rural communities.

**CELEBRATING 60 YEARS OF FINANCING
TELECOMMUNICATIONS AND BROADBAND NETWORKS AND SERVICES
THROUGHOUT RURAL AMERICA
Fact Sheet**

October 28, 2009 marks the 60th Anniversary of USDA Rural Development's telecommunication loan and grant programs.

USDA's telecommunications loan program was established to continue the Rural Electrification Administration's (REA) success in delivering new technology to rural America. The REA was a predecessor to Rural Development.

In 1949 only one in three farms in rural America had access to telephone service. Similar to the rural electrification program, the Telephone Loan Program revolutionized the lives of millions of rural families and businesses by providing connectivity, access to emergency services and business activities that fueled economic growth.

Since the beginning of RUS' involvement in telecommunications financing, about \$18 billion has been invested in a wide array of infrastructure projects and services in communities in all 50 states, territories, tribal and Native village areas.

Over the past several decades, RUS Telecommunications programs have evolved to meet the demand for next generation technology and services. The traditional Telephone Loan Program has expanded to include high speed broadband and other advanced technologies in rural areas.

In 1993, RUS telecommunications program launched the Distance Learning, Telemedicine Grant and Loan awards program. In 2002, RUS also began administering the Community Connect grant program which provides funding for broadband access in areas with no existing service.

Today, both programs have provided nearly \$472.3 million funding to rural hospitals, health care clinics, schools, libraries, tribal colleges, state and local government public health and education agencies.

In 1995, the Rural Electrification Loan Restructuring Act authorized RUS to finance all telecommunications infrastructure capable of delivering at least 1 megabit per second in both directions. The 2002 Farm Bill expanded this goal by creating the Rural Broadband Access Loan and Loan Guarantee program which finances broadband infrastructure projects in rural areas. Since the inception of this program, RUS has issued over 97 broadband loans totaling \$1.1 billion in award funding.

Today, RUS is currently working to meet our nation's next great challenge – deploying universal broadband access throughout rural America. Through this mandate under the American Recovery and Reinvestment Act, RUS is now embarking on the next chapter in the Agency's 75 year continuum of financing new technology in rural un-served communities.

To carry out this mandate, the Obama Administration and Congress have provided over \$2.5 billion to RUS for broadband infrastructure investments in rural communities. These funds will be targeted toward stimulating local economic growth and job creation across rural America. President Obama has called upon RUS to fulfill his vision for universal broadband access in rural America.

The 60th anniversary celebration of RUS telecommunications programs will include targeted outreach and press events hosted in local communities throughout the country. These events are focused on recognizing the work of RUS in providing funding opportunities to businesses in rural areas and the success stories of its borrowers and grant recipients.

RUS telecommunications programs provide financing to rural utilities; municipalities; commercial corporations; limited liability companies; public utility districts; Indian tribes; and cooperative, nonprofit, limited-dividend, or mutual associations. Loan funds may be used to finance telecommunications services in rural areas for:

- New construction;
- Improvements;
- Expansions;
- Acquisitions (some restrictions apply-cost of acquisition must be incidental to cost of improvements in loan);
- Refinancing (some restrictions apply-amount refinanced cannot exceed 40% of loan amount).

Current rates are published online at:

<http://www.federalreserve.gov/research/h15/Current/> ([scroll](#) down to “Treasury Constant Maturities”). To determine FFB rates, add 0.125 percent to the Treasury Constant Maturities figures.

For More Information

For more information, visit RUS Telecommunications Program website at:

<http://www.usda.gov/rus/telecom/>.

Or contact your local or State USDA Rural Development office at

http://www.rurdev.usda.gov/recd_map.

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