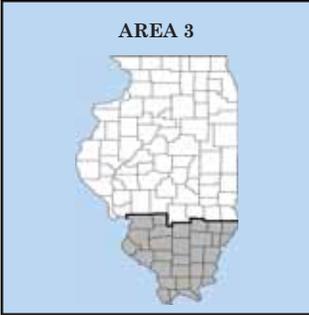




Committed to the future of rural communities.

Rural Development News and Highlights

Volume 5, Issue 17



*Seasons Greetings,
We wish everyone a happy and safe Holiday Season.*

Rural Development continues to provide low-cost loans and grants through more than forty programs. We support economic growth in the communities where we live, work and play. Please continue to share our newsletter with businesses, communities and people you know that may be interested in utilizing our services.

Be sure to review the Points of Interest on the last page of this edition. Interest rates are LOW.

As always, we hope you enjoy this newsletter edition and we welcome any comments or questions that you may have.

—Rusty Wanstreet

United States Department of Agriculture –Area 3: serving 30 Southern Illinois counties

Winter 2011

USDA Grants Awarded for Illinois Renewable Energy and Energy Efficiency Projects

Agriculture Secretary Tom Vilsack has announced 42 grants and loans totaling nearly \$1 million so far this year for Illinois small businesses and ag producers to implement renewable energy and energy efficiency measures in their operations.

“When we reduce costs for farmers and rural small businesses, we ultimately provide a boost to the local rural economy,” said Colleen Callahan, state director for USDA Rural Development. “Not only are we helping rural business operations be more cost efficient, we are conserving our natural resources and helping the United States become a more energy independent nation.

The grants and loan guarantees are being provided through the Rural Energy for America Program (REAP), a 2008 Farm Bill initiative. Illinois recipients are using funds to improve grain dryer systems, install renewable energy systems and make other energy saving improvements.

A number of applicants are using funding for geothermal, solar and wind projects. For example, Corn Belt Energy Corporation was selected to receive a \$26,593 grant to help the cooperative install a new geothermal unit comprised of 50 wells that will replace its electric heating and air conditioning and reduce its energy consumption by 89 percent.

A family farm in Scales Mound, Ill. will use an \$18,439 grant to install photovoltaic panels that will generate solar electricity for a dairy barn. Their energy savings will be 49 percent.

Pals Electric, Inc. will use its \$16,304 grant to install a 10kW wind turbine at its headquarters in Teutopolis, Ill. The small electrical contracting company will use the electricity produced by the turbine to power the lighting, office machinery, small power tools, and heating and air conditioning in their office, electrical shop and warehouse, replacing about 67 percent of the company’s current energy usage.

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CONTACT US

Rural Development can help you finance a home, multi-family housing, business, community facility, or water and sewer systems in rural areas.

Mt. Vernon RD Area Office
(618) 244-0773 (ext. 4)

Edwardsville RD Area Office
(618) 656-7300 (ext. 4)

Marion RD Area Office
(618) 993-5396 (ext. 4)

Improved Communication Helps Rural Development Homeowners

Four members of the Field Support Branch of Rural Development’s Centralized Servicing Center (CSC), located in St. Louis, Mo., visited the Edwardsville Rural Development Field Office to learn about day-to-day operations. The purpose of the visit was to explore ways to improve communication between CSC and the Field Offices in an effort to better

serve Rural Development borrowers as well as fellow employees.

Some of the topics discussed by CSC members and the Edwardsville staff included: handling phone inquiries related to loan making and servicing, furnishing timely and accurate account research for field staff, and providing technical assistance with Unifi and MortgageServ Systems (RD mortgage software programs).

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Rural Energy Funding

Other recipients are using the funds to purchase and install flexible fuel pumps.

MGS Petro Inc. is using its \$37,197 grant to help install three E85 pumps and one biodiesel/gasoline pump at Fast Stop in Princeton, Ill.

KBNT, Inc. received an \$11,191 grant to install two new blender pumps. The new pumps will replace its existing E 85 pumps at its Home-town Express stations in Geneseo and Galva, Ill.

“We’re giving people the option to purchase domestically produced renewable fuel in rural areas, often at a lower price per gallon,” said USDA Rural Business Services Administrator Judith Canales. “When consumers have a choice at the pump, it not only supports the rural economy, but it helps move our country toward a clean energy economy and breaks our unsustainable dependence on foreign oil.”

In Illinois, the market potential for gasoline blends and renewable fuels is growing. Currently 245 stations in Illinois are offering a gasoline blend and 85 percent ethanol that can be used in 30 different vehicle models.

Home Size Limitation for Direct Home Loans

Rural Development offers affordable home loans to help homebuyers with low income purchase or build a modest home. In response to changes in the housing market this week, the Agency has further defined “modest housing”. In addition to the existing purchase price limits, a size limitation has been established for Illinois at 1,800 square feet.

Case by case exceptions to the size and purchase price limits may be available based on special needs such as an exceptionally large household, household member with a disability, or an energy efficient home with lower utility costs.

In southern Illinois, \$143,000 is the purchase price limit for Alexander, Gallatin, Hardin, Johnson, Massac,

Pope, Pulaski, Saline and Union counties; Clay, Edwards, Franklin, Hamilton, Jefferson, Lawrence, Marion, Richland, Wabash, Wayne and White counties are limited to \$155,000; Bond, Clinton, Jackson, Madison, Monroe, Perry, Randolph, St. Clair, Washington and Williamson counties are limited to \$160,000.

Rural Development’s direct home loan program remains the best financing option for low income homebuyers in rural Illinois. Direct loans for homes in communities with up to 20,000 residents do not require a down payment or monthly mortgage insurance. These loans also offer subsidized interest rates for up to a 38 year term. More information is available by calling the nearest Rural Development office.

Flexible fuel pumps have the capacity to give drivers numerous options, including E15, E20, E30, E50 as well as E85. In January EPA released the results of E15 testing and approved the use of E15 fuel to include cars, SUVs and light pickup trucks manufactured since 2001.

“While the production of biofuels

has been successfully addressed in Illinois, the issue now is how to make biofuels more readily available to consumers,” said Callahan. “The technology is available to make additional blends of gasoline and ethanol. Providing grants for flexible fuel pumps was the next step in making more renewable fuel options available to consumers.”

Real Estate Agents Learn About Rural Development Programs



Clockwise from front: *Farmer & Company Real Estate agents David Wehemeyer, Bob Mizell, Luke Grace, Owner/Broker Scott A. Farmer, RD Specialist Elizabeth Messervey, and Real Estate Agent Stewart Weisenberger.*

USDA Rural Development Specialist Elizabeth Messervey provided a workshop for agents with Farmer & Company Real Estate in Massac County. The agents were eager to learn about Rural Development programs with an emphasis on housing. Messervey covered topics such as new regulations, the difference between the Direct 502 Program and the Guaranteed 502 Program, new income limits, new minimum loan limits, and new Public Act 97-0235, which amends the Illinois Roofing Licensing Act, and how the Act affects Rural Development housing repair loans. She also discussed foreclosures, short sales, commercial opportunities, new construction and more. “Rural Development has a lot of good programs to offer rural communities,” said Broker Scott Farmer. “We learned a lot from this workshop and look forward to utilizing Rural Development programs.”

Find more information on Rural Development programs by visiting the RD website at: <http://www.rurdev.usda.gov/ILHome.html> or contact your local Rural Development office.

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Improved Communication Helps Homeowners

The meeting helped to bridge a communications gap. Field office staff sometimes intercede with CSC to help a borrower solve a problem. Now, with a better understanding of the needs of both offices, RD can provide better customer service.

“One of the things we learned from our visit with CSC staff members was to be prepared when calling on them for help,” said Rural Development Specialist Bob Trost. “For example, it’s very important to have the file, the account number and the borrower’s circumstances well documented before we call CSC. Being well prepared can cut down the time it takes to research the question or problem we may have.”

The Field Support Branch (CSC) provides direct support to Rural Development housing staff in all 50 states, Puerto Rico, Guam and the Virgin Islands with a staff of 12 employees. They receive and respond to more than 2,700 telephone calls and approximately 1,000 pieces of correspondence each month from Field and State Offices. In addition to helping Field Offices nationwide, they also handle requests from Rural Development’s National Office in Washington D.C. and respond to Congressional inquiries.



Rural Development Specialist Bob Trost explains the Guaranteed Rural Housing program to fellow Rural Development employees from the Centralized Servicing Center located in St. Louis. Also Pictured is RD Technician Trish Oberembt and CSC staff members Ebony Woods-Bey, Julie Turner, Harriette Anderson, and Mary Stallings.



USDA RD Employees Visit Locally Grown Pepper, Fruit, and Produce Businesses



Rural Development employees got a whole lot more than R&R at an Area Retreat in August. They spent two days learning first hand about locally grown products. “The intent of the retreat was to provide time away from day-to-day duties to learn more about local businesses that grow and market their own products, from peaches to peppers,” said Area Three Director Rusty Wanstreet. “We wanted to learn first-hand how our programs can help small agri-businesses.”

To kick off the retreat, the employees dined at the Yellow Moon Café in Cobden. The menu features locally grown foods and products whenever possible. After lunch, employees toured Rendleman Orchard in Alto Pass, nestled in the hills of Southern Illinois’ Shawnee National Forest. They saw first-hand how they sort their peaches, hand picking the best grade of peaches to go to the market. Since 1873, Rendleman Orchards has been committed to growing and shipping quality peaches, nectarines, apples and vegetables

to commercial produce markets throughout the Midwest.

The tour continued through the Shawnee Hills of Southern Illinois and took RD employees to Rancho Bella Vista, a family farm that grows a wide variety of pesticide-free hot peppers. There they enjoyed samples of spiced jellies and other locally made products.

Rural Development has loan and grant programs available to help local farmers and producers through its “Know your Farmer Know Your Food” initiative. The USDA-wide effort is designed to bridge the gap between the production of locally and regionally produced agricultural food products and the processing and distribution of those products. Loans, loan guarantees and grants are available through eight programs to help businesses and a variety of organizations restore the link between consumers and local producers.

Points of Interest

- Interest rates for Water & Waste loans for October 1, 2011 to December 31, 2011 are: Market Rate—3.750%, Intermediate Rate—3.000%, and Poverty Rate—2.250%.
- Interest rate for Community Facility direct loans for October 1, 2011 to December 31, 2011 are: Market Rate—3.750%, Intermediate Rate—4.125%, and Poverty Rate is 4.500%.
- The current interest rate for both Multi-Family Housing (515 Direct) and Single Family Housing (502 Direct) is 3.250% for December 2011.
- Rural Development Guaranteed website is now: http://www.rurdev.usda.gov/IL_GRH.html
- USDA Fed's Feed Families donation total is 1,791,393 pounds!
- Notice to Hispanic and/or woman farmers or ranchers: if you are a woman or Hispanic farmer and believe you were improperly denied farm loan benefits by USDA between 1981 and 2000. You may be eligible for compensation. To register your name to receive a claims packet, call the Farmer and Rancher Call Center at 1-888-508-4429 visit: www.farmerclaims.gov.
- **USDA is offering a free broadband webcast for rural entrepreneurs, business leaders, local officials and economic development specialists on how to use broadband to attract and develop businesses in rural communities. See the attached flyer for detailed information on how to participate.**



Welcome to **Jason Hartke**, an Area Technician in Marion. He recently worked for Mid America Mortgage Services, but he has worked for Rural Development as an Temp and a Student Trainee Loan Specialist. He has a Bachelor's Degree in Finance and a minor in Accounting from SIUC. Jason has an emphasis in RD Single Family Housing 502 Direct programs.

Welcome to **Brandon Orr**, a Rural Development Specialist in the Mt. Vernon Office. In 2009, Brandon worked as a student-trainee and ran the 502 Direct SFH program in Union City and Jackson, TN. He obtained a Master's Degree in Business Administration in May of 2011. He accepted a Career-Conditional Appointment with Rural Development in September and now resides in Mt. Vernon, Illinois.



Employee Connection



Linda Kinzinger was recognized as the Employee of the Year by Rural Development State Director Colleen Callahan. Linda began her 24 year of service with RD as a "stay-in-school" employee in the Nashville Area Office. Currently, working as an Area Technician in the Mt. Vernon Office, Kinzinger stepped up to the plate when the MFH Specialist retired. She provided assistance to 2000 tenants in 86 MFH projects, while maintaining her core duty as a CP and B&I Technician. Congratulations Linda!



**Happy Retirement
Linda Raber!**

Linda Raber began her career with Rural Development in 1979 as a Temporary Appointment as County Office Clerk in Albion. Later that year she accepted an appointment as an Economic Emergency Loan Clerk. While in Albion, she converted to a Career Conditional Appointment as County Office Assistant. In 1997 Linda was reassigned to the Olney Office as a Community Development Technician. Later, in 2004, she was promoted to a Specialist. In 2008, Linda was reassigned to the Mt. Vernon Office as a Rural Development Specialist.



**Congratulations to
Rural Development
Technician
Trish Oberembt!**

Area Technician Trish Oberembt was recognized as "Employee of the Quarter".

Being the only Technician in the Edwardsville Office means wearing multiple hats. Trish provided support for both the Direct and the GRH loan programs as well as managing multiple administrative functions.



The newsletter staff extends their appreciation to the Rural Development employees who contributed to this newsletter edition. Rural Development Specialists' Elizabeth Messervey; Area Specialist Gary Mersinger, and Rural Development Public Information Coordinator Joan Messina.



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