



Working for Rural Communities 2013 Program Guide for Tennessee

www.rurdev.usda.gov/TN



USDA Rural Development Works for Tennessee



Barack Obama
President



Tom Vilsack
Secretary of Agriculture



Bobby Goode
State Director

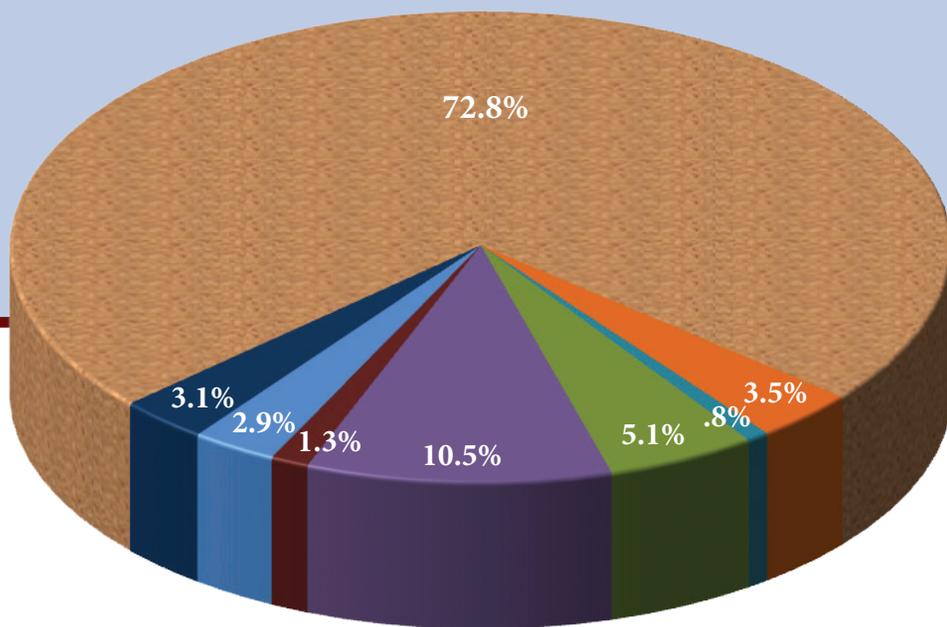
For fiscal year 2013, staffing and administrative costs are at their lowest, and productivity is the highest it has ever been for RD investments in Tennessee. Yet, we continue to *deliver and service* the affordable financing needed to keep businesses and communities competitive

with a level of professionalism to rival any public institution or private business. This extraordinary work is possible because our people live and work close to the families and businesses they serve. A strong and independent America starts with a healthy rural economy.

www.usda.gov/results

FY2012 Investments in Tennessee

\$892,524,846



Impact

- 12,275 + Households
 - Homeowners 6,208
 - Renters 6,067
- 102 + Rural Communities
- 95 Counties
- 14,650 + Jobs Impacted**
- 512 + Businesses & Organizations
- 6,401 Loans, Loan Guarantees, & Grants
- \$4.3billion + Active Loan & Guarantee Portfolio



** Job estimates are not available for all programs. These estimates are based on information provided by program recipients and models projecting number of jobs created per \$1 million invested.

Business & Energy - 91* \$31,118,504	Home Loan Guarantees - 5,415* \$649,549,359
Rural Electric - 1* \$6,916,000	Home Loans & Repairs - 562* \$26,245,213
Water & Sewer - 52* \$45,767,475	Multi-family Housing - 234* \$27,621,760
Community Facilities - 50* \$93,333,087	Administration \$11,717,447

*Number of loans, guarantees or grants obligated in FY12





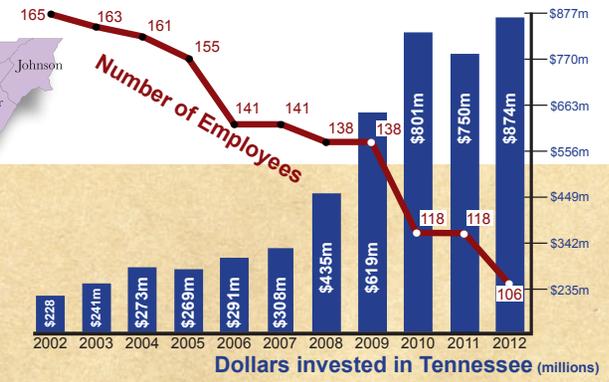
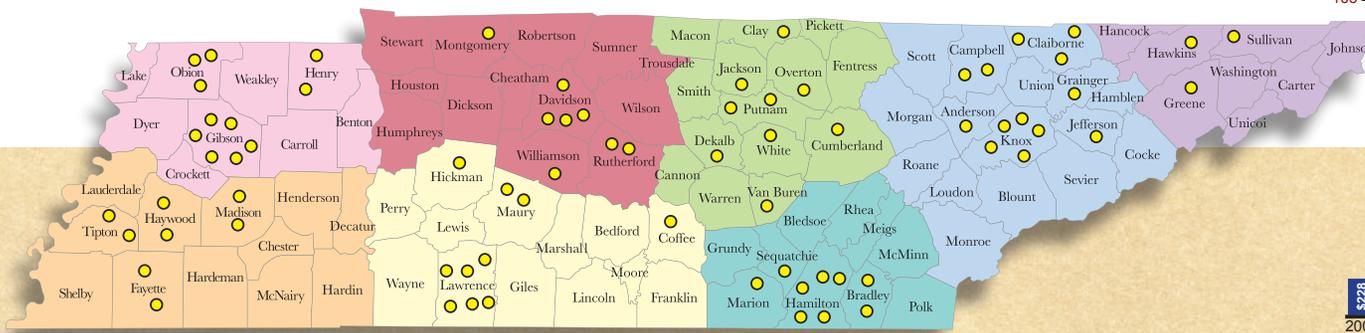
Having a specialist in the field makes a world of difference

www.usda.gov/results



Hands-on service is good for business

“We don’t have to stop, drive into town and try to explain why a reasonable idea on paper isn’t working in the real world. Better decisions are made quickly, and bottom-line, that saves money for all our business and household customers. That can’t be done just from Nashville or Washington.” - Lakeview Utility District General Manager Tim Carwile.



● Living & working near the communities we serve increases effectiveness & helps our customers.



Friendship

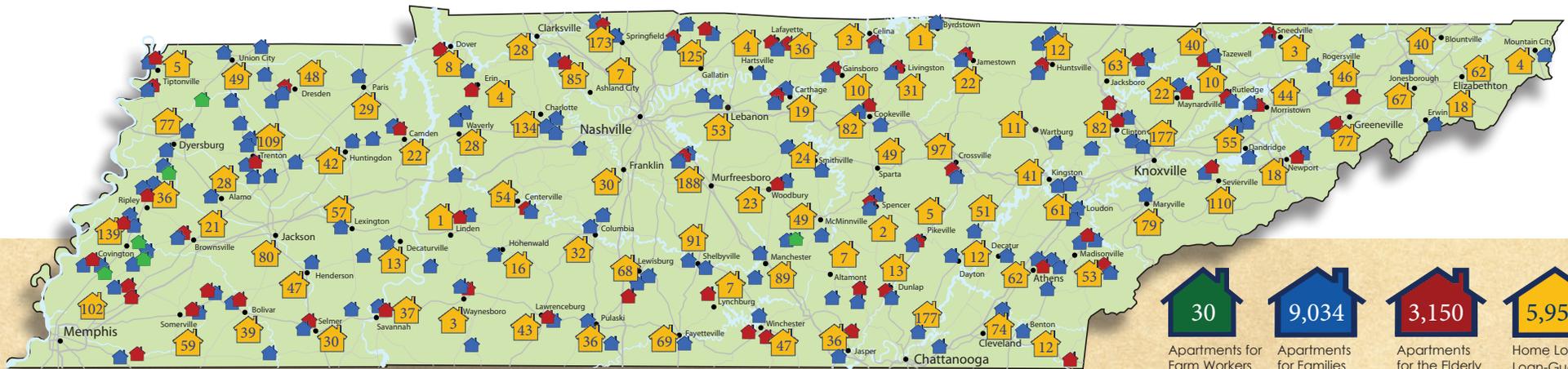


An affordable home shouldn't be a luxury

www.usda.gov/results

Rural Housing Builds Strong Communities

"There's an old saying, 'Homes are where jobs go at the end of the day.' We also know the housing sector contributes a lot to the local economy. Working with more than 150 private lending partners, rental property management companies and non-profits, USDA Rural Development staff helps thousands of Tennessee families build better lives and stronger communities by making homeownership, quality rental housing, and home repair assistance more affordable." - Don Harris, Housing Programs Director.



30
Apartments for Farm Workers
6 properties
FY2012



9,034
Apartments for Families
262 properties
FY2012



3,150
Apartments for the Elderly
86 properties
FY2012



5,958
Home Loans & Loan-Guarantees
FY2012



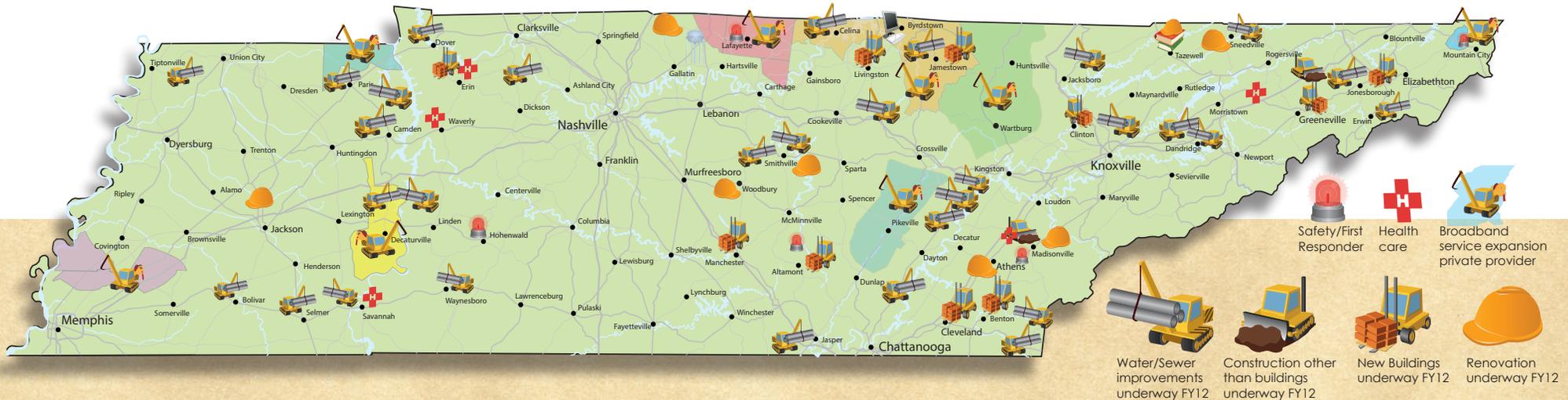


Bridging the gaps to build sustainable rural communities

www.usda.gov/results

Building infrastructure for a healthy rural America

“Reliable water, sewer, electricity, telephone and broadband are necessities for businesses of all sizes. In FY 2012 we invested more than \$246 million in 76 essential infrastructure projects in Tennessee. We also partnered with local governments, chambers and other non-profits to provide resources necessary for sustainable job creation - from first responder equipment and community facilities to main street revitalization and technical assistance for entrepreneurs.” - Keith Head, Community Programs Director



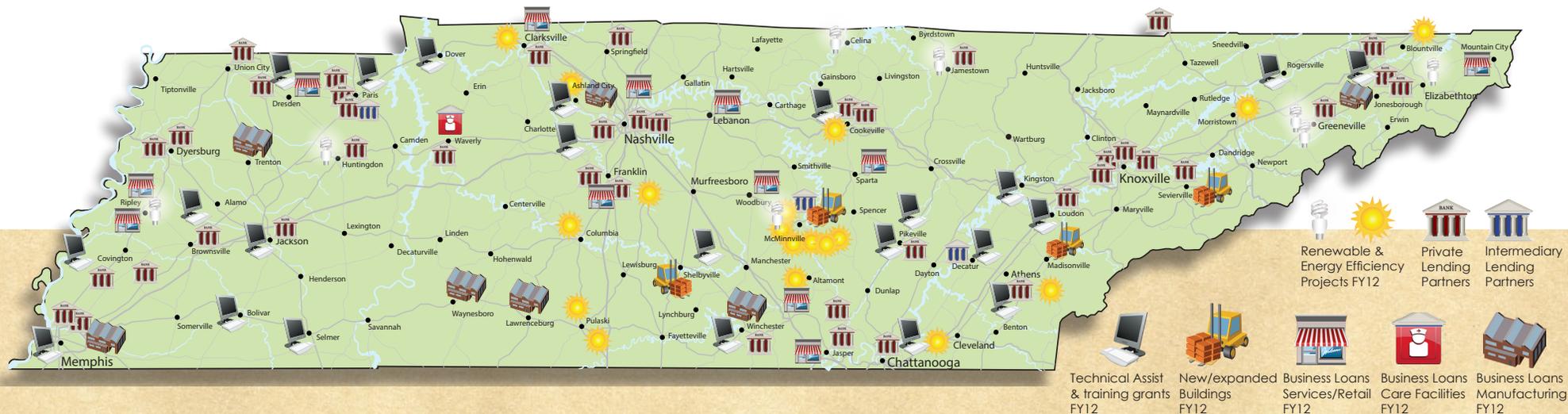


A healthy America starts with a prosperous local economy

www.usda.gov/results

Access to capital is key to job creation

“Working with private lenders and regional co-ops last year our portfolio included \$263 million invested in 120 companies that employ over 14,600 Tennessee workers. These jobs generate ongoing incomes that support local economies across the state. An additional \$1.78 million in small grants supported the work of non-profits and local governments to ensure their communities have the healthy, well-educated workforce they need to compete in the modern economy.” - Dan Beasley, Business, Energy & Cooperative Programs Director





Business, Energy & Cooperative Programs

Program	Objective	Uses	Applicant	Eligible Area	Terms/Conditions
Business and Industry Program Loan guarantees	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of business that create rural jobs.	USDA Approved Lenders on behalf of their qualified rural business borrowers.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
Intermediary Relending Program loans	Finance business facilities and community development projects in rural areas.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Public bodies, non-profits, recognized tribes, and cooperatives.	Rural areas and incorporated places with populations of less than 25,000.	Intermediary loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Business Enterprise Program grants	Finance and facilitate the development of small and emerging private business enterprises.	Buy and develop land; establish revolving loan funds; create or extend distance learning networks; construct buildings, plants, equipment, access streets and roads, parking, and extend utilities.	Public bodies, private non-profits, and recognized tribes.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	When grant funds are used for revolving loan fund (RLF), the applicant serves as intermediary to make loans to qualified businesses from its RLF on terms consistent with security offered.
Rural Business Opportunity program grants	Finance technical assistance for business development and conduct economic development planning in rural areas.	Technical assistance, leadership training, establishment of business support centers, economic development plans.	Public bodies, non-profits, recognized tribes, and cooperatives with members that are primarily rural residents.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Must be completed within 2 years after project has begun.
Rural Economic Development loans & grants	Finance economic development and job creation in rural areas.	Feasibility studies, business startup or expansion costs, business incubators, revolving loan funds and community facilities.	Electric and telephone utilities eligible for financing from the Rural Utilities Service.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Intermediary (electric or telephone utility) loans to for-profit or non-profit business or public bodies for rural economic development or job creation projects. Loans are 0% for 10 years.
Rural Cooperative Development grants	Establish and operate centers for cooperative development to improve economic condition in rural areas. Improve operations of existing coops.	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.	Non-profit corporations and institutions of higher education.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Applicants must meet specific selection criteria including a minimum 25% fund match. Grants are awarded on a competitive basis.
Value-Added Agricultural Product Market Development Program grants	Assist independent agricultural producers to enter into activities that add value to their commodities.	Planning purposes like feasibility studies or business plans or as working capital to help start the operations of a venture.	Independent producers, farmer and rancher cooperatives, and majority-controlled producer-based business ventures.	No population restriction.	Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.
Small Socially Disadvantaged Producer Program grants	Provide technical assistance to small, minority owned producers.	Technical assistance for market research and product/service improvement, legal assistance, feasibility studies, business/marketing plans, and training.	Co-ops or associations with a primary focus on providing assistance to small, minority producers. Governing board and/or membership must be at least 75% recognized minorities.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Funds are to be use only for Technical Assistance. No match requirements.
Renewable Energy for America Program (REAP) loans & grants	Finance the purchase of renewable energy systems or to make energy- efficiency improvements.	Construction, improvements, purchase/install equipment, energy audits, permit fees, professional service fees, business plans/feasibility studies.	Agricultural producers and small businesses located in rural areas. NOTE - Urban agricultural producers may also be eligible.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Loans cannot exceed 50% of total eligible project costs. Grant cannot exceed 25% of eligible project costs.
Biomass Research and Development Initiative Programs grants	Finance the research and development of biomass based products, bioenergy, biofuels, and related processes.	Research and development of biomass based products, bioenergy, biofuels, and related processes.	Institutions of higher education, national laboratories, federal or State research agencies, private sector entities, and non-profits.	No population restriction.	Cost sharing of 20% to 50% is required. Amount depends on the nature of project. Cost share must come from non-Federal sources.

For loan guarantees - ask your lender to contact Rural Development. For all other loan and grant programs - contact the local USDA Rural Development Office that serves your community.

Rural Housing Programs



Program	Objective	Uses	Applicant	Eligible Area	Terms/Conditions
Single Family Homes (502 Program) loans	Safe, well-built, affordable homes for rural Americans.	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.	Families and individuals. For low and very low income applicants.	Rural areas with populations of 20,000 or less.	Up to 100% 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.
Single Family Homes (502 loan Guarantee Program) Loan guarantees	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Purchase new or existing home.	USDA Approved Lenders on behalf of their qualified home loan borrowers. For low to moderate income applicants.	Rural areas with populations of 20,000 or less.	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100% of market value.
Single Family Home Repairs (504 program) loans & grants	To help very-low income homeowners remove health and safety hazards or to repair their homes.	Repair or replace roof, winterizing, purchase or repair of heating system, structural repair, and water and sewage connect fees, and similar uses.	Families and individuals who currently own their home. Grants available only to very-low-income applicants 62 years or older who cannot afford to pay 1 % loan.	Rural areas with populations of 20,000 or less.	Loan terms to 20 years at 1%. Assistance to individual may not exceed \$7,500. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1% loan.
Mutual Self-Help Housing (523 program) grants	Assist lower income families in building their own homes. Owner's equity is achieved through "sweat equity" in construction of dwelling.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Public bodies and non-profits.	Rural areas with populations of 20,000 or less.	Grant agreement.
Multi-Family Rental Housing (515 program) loans	Safe, well-built, affordable rental housing for very-low, and low income individuals and families.	New construction and rehabilitation of existing multi-family rental housing in qualified rural areas.	Individuals, limited profit and non-profit organizations.	Rural areas with populations of 20,000 or less.	Up to 100% of total development cost for non-profits and 97% for for-profit companies. 30-year term with up to 50 year amortization. For for-profit organizations with Low-Income Housing Tax Credits, 95% of total development costs.
Multi-Family Rental Housing (538 program) Loan guarantees	Safe, well-built, affordable rental housing for low to moderate income individuals and families.	New construction, permanent loan or substantial rehabilitation of multi-family rental housing in qualified rural areas.	Individuals, partnerships, limited liability companies, trusts, state and local agencies and recognized tribes.	Rural areas with populations of 20,000 or less.	Up to 90% loan-to-value for loans made to for-profit entities, and up to 97% loan to value for loans made to non-profit entities. Repayment terms are 25 to 40 year amortization. Annual guaranteed fee may be applicable.
Housing Preservation (533 HPG program) grants	Repair and rehabilitate owner-occupied homes or multi-family rental housing for very-low and low income rural families.	Repair and rehabilitate multi-family rental housing & single family homes in qualified rural areas.	Public bodies and non-profits that provide assistance to low to moderate income families or individuals.	Rural areas with populations of 20,000 or less.	Grant agreement.
Farm Labor Housing (514 & 516 programs) loans & grants	Safe, well-built affordable rental housing for farm workers and their families.	New construction or substantial rehabilitation of rental housing for farm workers and their families.	Individuals, public and private non-profit organizations.	No population restriction.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.

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Utilities & Community Facilities Programs

Program	Objective	Applicant	Uses	Eligible Area	Terms/Conditions
Water and Waste Disposal Programs loans & grants	Finance water and waste disposal in rural areas to the most financially in need, resulting in reasonable user fees.	Public entities, recognized tribes, and non-profits.	Build, repair, and improve public water systems, and waste collection and treatment systems and other related costs.	Rural areas, cities and towns with a population up to 10,000.	Interest rates set quarterly based on an index of current market yields for municipal obligations. Repayment period up to 40 years.
Water and Waste Disposal Programs loan guarantees	Provide loan guarantees to lenders serving financially needy applicants.	USDA Approved Lenders on behalf of Public entities, recognized tribes, and non-profits.	Construct, repair, modify, expand, and improve water supply and distribution systems, and waste collection and treatment systems.	Rural areas, cities and towns with a population up to 10,000.	Private lenders obtain up to a 90 % guarantee on loans they make and service.
Solid Waste Management Programs grants	Provide technical assistance and training to help communities reduce/eliminate water pollution, and improve planning and management of solid waste sites.	Non-profit organizations and public bodies.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities.	Rural areas, cities and towns with a population up to 10,000.	Projects are funded based on selection at the National level. Applications are accepted from 10/1 to 12/31 of each year.
Rural Broadband Program loans & loan guarantees	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities.	Construction, acquisition, and improvement of broadband transmission facilities and equipment, land and buildings used to provide such service, and refinancing of Telecomm program debt.	Eligible rural communities with a population of 20,000 or less.	Interest rate set at US Treasury rate for a period equal to expected composite economic life of assets financed. Guarantee may be provided up to 80% of principal.
Distance Learning and Telemedicine Program loans & grants	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities including municipalities that operate rural schools/education facilities, libraries, or health care facilities. May be for-profit or non-profit.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, x-ray scanners, and digital microscopes.	Rural areas with populations of 20,000 or less.	Matching funds required.
Electric and Telecommunications Program loans & loan guarantees	Provide financial aid through direct loans and loan guarantees for electric and telecommunications services.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities.	Generation, bulk transmission facilities, and power distribution. Enhance 911 service, digital switching, fiber optics, traditional telecomm and broadband.	Electric - U.S. Census designated rural areas. Telecommunication Rural areas with a pop. of 5,000 or less.	Interest rates are set in accordance with 7 CFR 1745.
Technical Assistance and Training Program grants	Identify/evaluate solutions to water and waste disposal issues. Assist applicants with applications for USDA water/wastewater programs. Improve operation and maintenance of existing water and waste disposal systems	Non-profit organizations.	Provide technical assistance to qualified water and waste disposal utilities serving rural areas.	Rural areas, cities and towns with a population up to 10,000.	Applications are accepted from October 1 to December 31 of each year.
Rural Community Development Initiative (RCDI) Grants	Assists organizations that provide technical assistance to other organizations to improve their ability to undertake housing, and community or economic development projects in rural areas.	Public or private organizations, including recognized tribes, which have been organized at least 3 years and have experience working with eligible recipients.	Recipient provides technical assistance to organizations serving rural qualified areas.	Rural area, city and towns with population not exceeding 50,000 including urbanized areas.	Matching funds required.
Community Facilities Program loans, loan guarantees & grants	Provide essential community facilities for rural communities. <i>Faith-based and community orgs, and First Responders are encouraged to apply.</i>	Public bodies, non-profit organizations, and recognized tribes. USDA Approved Lenders may apply for loan guarantees on behalf of the above entities.	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Rural areas, cities, and towns with populations of 20,000 or less.	Up to 100 % of market value. Up to 40 years or life of security. Grant funds are limited.

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Program Overview

Program Uses

Who Can Apply?

	Building and/or Land*	Machinery & Equipment	Working Capital	Infrastructure	Training & Technical Assistance	Revolving Loan Fund	Individuals	Lenders	Businesses & Producers	Public Bodies	Non-profits	Cooperatives	Tribes	Institutions of Higher Education
Rural Housing Programs														
Single Family Home Loans – (502)	■						■							
Single Family Home Loan Guarantees – (502 guarantee)	■						◆	■						
Single Family Home Repair Loans & Grants – (504)	■						■							
Single Family Mutual Self-Help Housing Grants – (523)	■	■		■	■					■	■			■
Multi-Family Rental Housing Loans (515)	■						■		■	■	■		■	■
Multi-Family Rental Housing Loan Guarantees – (538)	■							■	◆	◆	◆			◆
Multi-Family Rental Housing Preservation (repair) Grants – (533)	■									■	■			■
Farm Labor Housing Loans & Grants – (514 & 516)	■						■		■		■			■
Rural Business, Energy & Cooperative Programs														
Business & Industry Loan Guarantees	■	■	■	■				■	◆		◆	◆	◆	◆
Intermediary Relending Program Loans						■				■	■	■	■	
Rural Business Enterprise Grants	■	■	■	■	■	■				■	■		■	■
Rural Business Opportunity Grants					■					■	■		■	■
Rural Economic Development Loans & Grants	■	■	■	■	■							■		
Rural Cooperative Development Initiative Grants					■						■	■		
Value-Added Agricultural Product Market Development Grants			■		■				■			■	■	
Small Socially Disadvantaged Producer Grants					■				■					
Renewable Energy Production Loans & Loan Guarantees (REAP)	■	■	■	■				■	◆					
Renewable Energy Production Grants (REAP)		■		■					■					■
Energy Efficiency Loans & Loan Guarantees (REAP)	■	■	■	■				■	◆					■
Energy Efficiency Grants (REAP)		■		■					■					■
Biomass Research and Development Initiative Program Grants					■									■
Rural Utilities & Community Facilities Programs														
Water and Waste Disposal Loans & Grants	■	■		■						■	■	■	■	
Water and Waste Disposal Loan Guarantees	■	■		■				■		◆	◆	◆	◆	
Solid Waste Management Grants					■					■	■			■
Rural Broadband Loan & Loan Guarantees	■	■		■				■	◆	◆	◆	◆	◆	◆
Distance Learning & Telemedicine Loans & Grants		■		■						■	■	■	■	■
Telecommunications Loans & Loan Guarantees	■	■		■				■	◆	◆		◆	◆	◆
Electric Loans & Loan Guarantees	■	■		■				■	◆					
Technical Assistance & Training Program Grants					■						■			■
Rural Community Development Initiative Grants (RCDI)					■					■	■	■	■	
Community Facilities Loans & Grants	■	■		■						■	■	■	■	
Community Facilities Loan Guarantees	■	■		■				■		◆	◆	◆	◆	◆

◆ Applicants apply through a private lender that participates in a loan guarantee program.

USDA Rural Development Works in Tennessee

www.rurdev.usda.gov/TN

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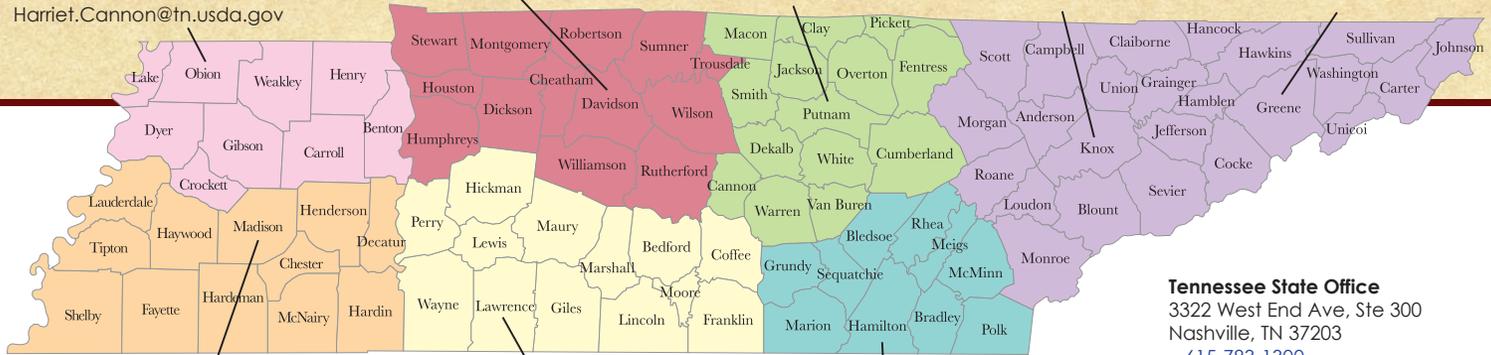
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Mortgage Lender Information

Home Loan-Guarantee Program

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Rural Telecom Programs

Distance Learning & Telemedicine

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