



Building Bridges to the Future

ILLINOIS 2011 ANNUAL REVIEW



Colleen Callahan
Illinois State Director

Message from the State Director

“I like to see a man proud of the place in which he lives. I like to see a man live in it so that his place will be proud of him.”
Abraham Lincoln

Lincoln said those words in reference to his thoughts on hometowns. And it’s appropriate that we, at USDA Rural Development, share his insights throughout this report during this 150th Anniversary of the United States Department of Agriculture. It was President Lincoln, after all, who established USDA!

I believe that Lincoln would be proud of his home state’s USDA Rural Development efforts, particularly as it relates to his sentiments about one’s hometown. We continue today to be “committed to the future of rural communities” and the hundreds of “hometowns” throughout the Land of Lincoln.

All hometowns require maintenance and improvements. These 2012 calendar pages document and feature examples of financial partnerships in meeting community, business and home needs. These relationships have *built bridges* to the future. And while it took dollars to do so, the most important aspect of the *bridge building* was the end result of helping people.

It was Abraham Lincoln, indeed, who called USDA “The People’s Department.”

We do our best at USDA Rural Development to live up to President Lincoln’s expectations...150 years later, and into the future!

Rurally,



Agriculture Secretary
Tom Vilsack

Message from the Secretary

Responsiveness and innovation is nothing new for USDA. Our employees understand the prosperity challenges of rural America and how each community’s needs are unique. Our dedicated Rural Development staff, who live and work in the communities they serve, are able to hear and respond quickly to local issues. Through a variety of business, economic development, utility and housing programs, our Rural Development specialists are doing more for rural communities than ever before.

Thomas Vilsack
Secretary of Agriculture



Under Secretary
Dallas Tonsager
USDA Rural Development

Message from the Under Secretary

Our Rural Development programs help create and sustain good paying jobs, and will have a lasting impact across the country. In addition to the investments of countless businesses, nonprofits, cooperatives, Tribes and local governments that partner with us, much credit is due to our talented, efficient and dedicated workforce of USDA employees who deliver Rural Development assistance in small communities and remote areas across all 50 states and the territories of the United States. Their continued commitment to rebuilding and revitalizing rural America is shared by me, Secretary Vilsack and President Obama. In the upcoming year, we will continue to work with communities, residents and others to ensure that rural America continues to be a healthy, safe and prosperous place to live, work and raise a family.

Dallas Tonsager
Under Secretary, USDA Rural Development



Secretary Vilsack visited with Illinois Rural Development staff at the unveiling of the USDA 150th anniversary logo.

Looking for information on specific programs?
You can find...

- Business Programs in January, May and September
- Housing Programs in February, June and October
- Community Programs in March, July and November
- Water Programs in April and August



Committed to the future of rural communities.

2011

BY THE NUMBERS

Statewide

- 1.8¢ in administrative cost for every dollar distributed
- \$698 million invested in support of Rural Illinois
- \$1.9 million delivered each and every day in Illinois

Business

- 60 renewable energy and energy efficient grants awarded
- \$37 million awarded to rural businesses, leveraging 78% in additional funds
- \$49 million awarded to develop rural business opportunities
- \$8.1 million awarded to producers of advanced biofuels

Housing

- 5,316 families helped to purchase their first homes or better homes
- 488 families able to repair their homes
- 61% of residents in supported rental units are elderly or disabled

Community

- 29 community projects financed
- 85,131 rural residents enjoying community improvements
- 13,700 rural families to get safe water
- 3rd in the nation for funded water and sewer projects
- \$90million invested in rural broadband

USDA Celebrates 150 Years

In 2012, USDA will commemorate and celebrate the 150th anniversary of our founding in 1862, when President Abraham Lincoln signed into law an act of Congress establishing the United States Department of Agriculture.

Two and one-half years later, in what would be his final annual message to the Congress, Lincoln called USDA “The People’s Department.” At that time, about half of all Americans lived on farms, compared with about 2 percent today. But through our work on food, agriculture, economic development, science, natural resource conservation and a host of issues, USDA still fulfills Lincoln’s vision - touching the lives of every American, every day.

Over the course of the year, we hope you will join us in commemorating 150 years of USDA. It is a great time to learn about our contributions to the strength and health of this nation, and to see how we can continue to partner with Americans working to provide a better life for their families.



Flanked by State and Section FFA officers, Secretary Vilsack unveiled the USDA 150th anniversary logo in Representatives Hall in Illinois' Old State Capitol where Lincoln served as state representative.

Business Loans

Business & Industry (B&I) loan guarantees benefit lenders, businesses and communities. Lenders reduce their risk and boost their lending limit. Businesses are more likely to secure financing and with competitive rates and terms. Communities profit from a stronger business base.



Technical Metals, Inc. produces parts for manufacturing firms around the world. TMI used B&I guarantees of its loans with the Bank of Pontiac to expand its manufacturing facility in Fairbury and purchase new equipment. TMI also restructured its existing equipment debt, significantly improving the company's cash flow.



A B&I guarantee of O'Fallon's First Bank loan to Medical Development Company of America is making it possible for Monroe County residents to have outpatient surgery performed closer to home. The Monroe County Surgical Center in Waterloo will offer the services of 13 doctors with multiple specialties and add more skilled jobs to the area.



PrairieLand Investment Group, LLC and the Marine Bank & Trust used a B&I guarantee to assist PIG in renovating the former Robert Morris College building. The building sat idle for 10 years and had fallen into disrepair but now houses the offices of the Carthage Veterinarian Clinic.

January 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 NEW YEAR'S DAY	2 NEW YEAR'S DAY OBSERVED	3	4	5	6	7
8	9	10	11	12	13	14
15	16 MARTIN LUTHER KING, JR.'S BIRTHDAY FEDERAL HOLIDAY	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31		<p>On Attempt: <i>"I say "try" – if we never try, we shall never succeed."</i></p> <p><i>A. Lincoln</i></p>		

Housing Repairs & Improvements

Housing in good repair helps homeowners stay in their homes or renters to have safe places to live. One percent **Home Repair Loans and Grants (Repair)** help rural homeowners with modest incomes remove health and safety hazards, improve or modernize their homes and make them accessible. **Housing Preservation Grants (HPG)** are available to non-profit and public organizations to help low-income homeowners repair and restore their homes. **Direct and Guaranteed Rural Rental Housing Loans (RRH)** help developers provide and improve affordable rental housing for families, seniors and people with disabilities.



Originally financed by USDA in 1975, the 24-unit **Lake Matherville Manor** in rural Mercer County was renovated with funds made available by restructuring the USDA **RRH** loan and rental assistance contract and with ARRA rehab funds administered by the Illinois Housing Development Authority. Managed by Professional Property Management in Rockford, the facility offers affordable one and two bedroom apartments that are fully accessible to persons with disabilities.



Dixie LaFary took advantage of a home **Repair** grant to replace the siding on her home near Havana. The old bright blue slate siding was in disrepair and coming off. Thanks to the grant, her house is more energy efficient, protected from the weather and has an entirely new look.



An **HPG** repair grant leverages additional rehabilitation and weatherization funding with which **Crosswalk Community Action Agency** can help about 16 low and very-low income homeowners make needed repairs. Crosswalk, headquartered in West Frankfort, partners with Rural Development to provide housing assistance in four Southern Illinois counties.



February 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Improvement: <i>"Whether I shall ever be better I cannot tell; I awfully forebode that to remain as I am is impossible; I must die or be better."</i></p> <p><i>A. Lincoln</i></p>			1	2	3	4
5	6	7	8	9	10	11
12 <small>LINCOLN'S BIRTHDAY</small>	13	14	15	16	17	18
19	20 <small>WASHINGTON'S BIRTHDAY FEDERAL HOLIDAY</small>	21	22	23	24	25
26	27	28	29			

Public Safety

Community Facilities (CF) Grants and Loans can help public entities and non-profit organizations provide for the safety of their rural communities when local needs exceed the availability of funding.



The **City of LaSalle** received a **CF** grant to purchase a vehicle the Fire Department will use to respond to emergencies ahead of the transport ambulance and begin life saving medical procedures. The vehicle also carries communication equipment that increases the capacity of public safety officials to coordinate their efforts in large incidents.



The **Salem Fire Protection District** used a **CF** loan to replace a 34 year old fire truck with a better equipped and more reliable pumper-tanker truck. Everyone, including the fire fighters, will now be safer as the FPD protects Salem, a large agricultural area, oil fields and a section of interstate.



Law breakers beware! **Hillsboro Police Department** used a **CF** grant to help them purchase four police cars including this unmarked car. The cars replace vehicles with high mileage and maintenance problems.



March 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Commitment: <i>"Come what will. I will keep faith with friend and foe."</i></p> <p><i>A. Lincoln</i></p>				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
DAYLIGHT SAVINGS TIME BEGINS						
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Safe Water

Direct and Guaranteed Water and Waste Disposal (WW) Loans and Grants can help a rural community be a healthier place to live by providing the funding for a plentiful supply of clean water at the lowest possible cost.

Fayette Water Company connected to Gateway Regional Water thanks to a WW loan and grant to FWC. Ten miles of water lines were needed to make the connection and allow FWC to purchase water from Gateway. This was part of a complex and very successful long-term plan to provide relief from water shortages in the region.

Rural Development celebrated Earth Day with the announcement of funding for **Greene County Rural Water District** that will bring them closer to serving all of the county's rural residents with water. GCRWD collaborates with a number of Greene County communities for the purchase and sale of water as well as backup water interconnections, making it feasible for many county residents to have affordable and reliable safe water.



State Director Callahan presented a certificate of appreciation to long time **Greene County Rural Water District Board Member Frank Costello** on Earth Day. He passed away just 39 days later and before rural water was extended to his home. He was part of the original steering committee and volunteered his time for nearly 20 years, signing up customers, getting easements and grappling with the difficult decisions that water district board members have to make. His memory is a testament to the thousands of rural water board members in Illinois who work countless hours to bring safe water to their communities.



April 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
EARTH DAY						
29	30		<p>On Progress: <i>"I'm a slow walker but I never walk backwards."</i></p> <p><i>A. Lincoln</i></p>			

Business Development

Public bodies and nonprofit organizations are eligible for **Rural Business Enterprise Grants (RBEG)** that help to foster a healthy business climate by creating economic opportunities for small and emerging rural business. The **Intermediary Relending Program (IRP)** makes 1% loans available to public bodies and non-profits to administer local revolving loan programs. Non-profits and public institutions of higher learning may be eligible for grants and loans the **Rural Microentrepreneur Assistance Program (RMAP)** to support rural micro-entrepreneurs with loans or technical assistance.



Heyworth used an **RBEG** to reconstruct a portion of busy Buchanan Street in downtown Heyworth. The grant allowed them to improve the street, curb, sidewalks and storm sewers, making the area inviting and safe for businesses and their customers. Since the improvements, two new businesses have opened downtown.



After a tornado virtually destroyed downtown **Elmwood** in June 2011, local leaders looked for resources to help rebuild the city, not as it used to be, but the way they wanted it to be. The city created a revolving loan fund with an **RBEG** to support the recovery of the downtown business district by attracting start up businesses to vacant sites in its reclaimed downtown.



DiMaggio's Italian Ristorante in Carbondale used a recent **RMAP** loan awarded to **Southern Illinois Coal Belt Champion Community** to expand its business by purchasing and renovating a building at a new location. SICBCC currently manages loans it has made to 29 area small businesses for a total of \$1.58 million by using **RMAP**, **IRP** and **RBEG** funding.

DiMaggio's
ITALIAN RISTORANTE



May 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Planning: <i>"No exclusive and inflexible plan can safely be prescribed as to detail and collaterals. Such exclusive and inflexible plans would surely become a new entanglement."</i></p> <p><i>A. Lincoln</i></p>		1	2	3	4	5
6	7	8	9	10	11	12
13 <small>MOTHER'S DAY</small>	14	15 <small>USDA'S 150TH ANNIVERSARY</small>	16	17	18	19
20	21	22	23	24	25	26
27	28 <small>MEMORIAL DAY FEDERAL HOLIDAY</small>	29	30	31		

Homeownership

Homebuyers can always get more for their money with Rural Development home loans. They require no down payment or mortgage insurance and are available to homebuyers with modest incomes. Homebuyers work with a lender of their choice with the **Guaranteed Rural Housing (GRH)** program and with Rural Development for the **Direct Loan** program.



Sue Scott, curator of the Western Illinois Museum in Macomb, wanted a home of her own. The **Direct** home loan made it possible for her to use the money she would otherwise need for a down payment to refinish the home's hardwood floors and do landscaping, enhancing the historic features of her home. Following RD's recommendation, she contacted **Western Illinois Regional Council** who was able to help her with repairs and upgrades to her home.



Mike Staton was well aware of the benefits of a **GRH** loan as a Realtor with Coldwell Banker in Mattoon and chose to use a **GRH** guarantee to purchase his own home. The 100% financing and 2010 tax credit allowed him to make numerous home improvements, including his kitchen. In September 2011, he took advantage of historically low home interest rates and refinanced his **GRH** loan to an even lower fixed rate loan.



Gary and Linda Pate needed to find a home in which to spend their retirement, but were concerned about the cost. Rural Development helped them with a **Direct** loan for a home in DuQuoin that fortunately was right next door to Linda's 83 year old mother. To make the home the perfect place to live, they got additional help from **Western Egyptian Economic Opportunity Council** for needed repairs.



Devin Dean used the **Direct** loan program to purchase a home in Rushville large enough for her existing family and her new baby who was born within weeks of the loan closing. By being able to buy a home with 100% financing, the Deans were able to purchase a home with space for the entire family, including a nursery for the baby.

June 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Housing: <i>"In regard to the homestead law, I have to say that in so far as the government lands can be disposed of, I am in favor of cutting up the wild lands into parcels, so that every poor man may have a home."</i></p> <p><i>A. Lincoln</i></p>					1	2
3	4	5	6	7	8	9
10	11	12	13	14 <small>FLAG DAY</small>	15	16
17 <small>FATHER'S DAY</small>	18	19	20	21	22	23
24	25	26	27	28	29	30

Community Support

Community Facility (CF) loans, grants and loan guarantees with local lenders help public bodies and non-profit organizations provide essential facilities and services. The availability of quality healthcare is critical for the future of rural communities.



FAYGO Enterprises, Inc. received a **CF loan** to build an eight bedroom Community Integrated Living Arrangement (CILA) in Vandalia for residents with disabilities from Fayette, Bond and Montgomery counties. The private non-profit provides the experience, training, and opportunity for people with disabilities to take their own productive place in the community.



In June 2011 **Fairfield Memorial Hospital** cut the ribbon for its state-of-the-art medical arts complex, funded in part by a **CF Guarantee** with **Fairfield National Bank**. The Horizon Healthcare office building will house the hospital's own primary care physicians and regularly visiting specialists. The hospital also benefitted from a Rural Development **REDL** to **Wayne-White Counties Electric Cooperative** which re-lent the money to the hospital.

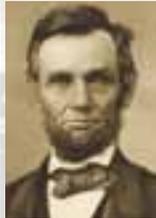


Benton Civic Center is using a **CF Guarantee** with **Southern Illinois Bank** in Johnston City to renovate and expand the existing center. A new addition will accommodate a new stage, orchestra pit, fly system, lighting and sound equipment. The improvements will expand the quality of cultural events for Benton and Franklin County residents and make it a better place for the area's numerous community events.



July 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 INDEPENDENCE DAY FEDERAL HOLIDAY	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31		<p>On Ideals: <i>“Organizations rallied around principles may, by their own dereliction, go to pieces, but the principle will remain and will reproduce another...till the final triumph will come.”</i></p> <p><i>A. Lincoln</i></p>		

Water Resources

Water and Waste Disposal (WW) Loans and Grants help rural communities provide the infrastructure crucial for their economic growth and quality of life.



Ashmore has a new water tower thanks to a **WW** loan. The old tower needed renovations and couldn't provide adequate water storage. Now the 809 residents have a new 150,000 gallon tank that stores a two day supply of water, protecting them from any emergencies.



Wyoming chose to invest in its future by making major renovations to its water system. With **WW** loans and grants, the city completed construction of a new water tower, a larger ground storage tank and 90 percent of the city's water mains. Gone are the leaking, rusting cast-iron water mains and inadequate water pressure and flow.



Western Wayne Water District is expanding its water lines to serve 146 new users, replacing 600 water meters with those that use radio transmitters, and building two water tanks at their connection point to Gateway Regional Water. These substantial upgrades and expansion are being financed with a **WW** loan and grant, assuring the district's 1,292 users that they will have adequate water pressure and increased water storage.

August 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Responsibility: <i>"In times like the present men should utter nothing for which they would not willingly be responsible through time and eternity."</i></p> <p><i>A. Lincoln</i></p>			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Business Opportunities

Two programs are available to help rural small businesses and agricultural producers improve their bottom line. Both are eligible for **Rural Energy for America Program (REAP)** grants and loan guarantees to purchase renewable energy systems and make energy efficiency improvements. Agricultural producers can apply for **Value Added Producer Grants (VAPG)** to help them add value to their commodities. The **Rural Economic Development Loan and Grant (REDL) (REDG)** program provides interest free loans and grants to local utilities that re-lend money to local businesses for projects that will create and retain jobs in rural areas.

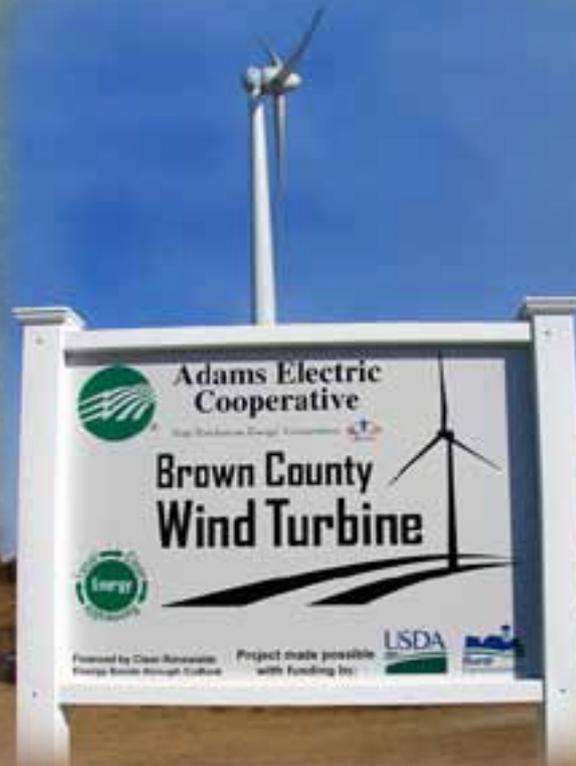


USDA's Rural Business Service Administrator Judith Canales filled up with E-85 at **Hometown Express** in Geneseo on a visit to Illinois to encourage use of renewable fuels. Station owner Steven Thompson received a **REAP** grant with which he will install pumps offering E-85 and E-30 fuel blends in Geneseo and Galva.



Photo courtesy of Galena Gazette Publications

The **Koester family** in Scales Mound received a **REAP** grant to install solar panels that will use the sun to generate electricity for their certified organic dairy operation. The solar system will power lighting in the barn during milking, the vacuum pump, milk cooler, and fans and will offset about 49 percent of their annual farm energy consumption from non-renewable sources.



Adams Electric Cooperative, with members in Adams, Brown, Schuyler, McDonough, Hancock, Pike and Fulton counties, used a **REAP** grant to construct a large 1.5 MW wind turbine capable of generating 4,000,000 kWhs of electricity a year. The turbine, located in Brown County, will be able to generate enough power for about 300 to 400 homes.



September 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Opportunity: <i>“It is a struggle for maintaining in the world that form and substance of government whose leading object is to elevate the condition of men-to lift artificial weight from all shoulders to clear the paths of laudable pursuit for all-to afford all an unfettered start and a fair chance in the race of life.”</i></p> <p style="text-align: center;"><i>A. Lincoln</i></p>						1
2	3	4 <small>LABOR DAY FEDERAL HOLIDAY</small>	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23 30	24	25	26	27	28	29

Rental Housing

Rural Development works with developers to ensure that affordable rental housing is available for families and seniors with modest incomes in rural communities. **Rural Rental Housing (RRH) Direct and Guaranteed Loans** are available at low interest rates for the construction of new complexes or the purchase the existing properties.



Paula Matthews (center) received the award for **Site Manager of the Year-Family Housing** by Director Callahan (right). Paula works with Area Specialist Christine Pratt (left) and received the award for her friendly manner, tireless efforts and great management skills at Village Green in Winnebago.



Donna Kimmey (center) was selected as **Site Manager of the Year-Elderly Housing** and received her certificate from Director Callahan (right) for the numerous extras she provides as well as her passionate commitment to managing Deer Run Apartments in Plano. Donna works with Area Specialist Penny Hexdall (left).



Carlinville Heights Apartments, managed by Maco Management Co. in Robinson, is a 20-unit affordable housing development originally financed by USDA in 1980. The existing USDA financing and rental assistance contract was restructured together with rehab funding from the Illinois Housing Development Authority's HOME to renovate the property. With updated amenities, the facility will meet the affordable housing needs of Carlinville for the next 30 years.



The new **Heritage Woods of Charleston** is a story of partnership. Construction of the 68-unit supportive living facility was made possible by Rural Development partnering with **Peoples National Bank** on a loan guarantee, financing from the Illinois Housing Development Authority, and support from the Illinois Department of Healthcare and Family Services. Managed by BMA Management, Ltd. in Bradley, Heritage Woods opened in October 2011 and offers efficiency and one bedroom apartments with a full range of services and amenities.



October 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8 <small>COLUMBUS DAY FEDERAL HOLIDAY</small>	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31		<p>On Hometown: <i>"I like to see a man proud of the place in which he lives. I like to see a man live in it so that his place will be proud of him."</i></p> <p><i>A. Lincoln</i></p>	

Public Services

Community Facilities (CF) loans, grants and loan guarantees can help public bodies and non-profits provide essential public services. Grants are available through the **Emergency Impact Initiative (EII)** in communities struggling with high non-employment.



Palestine received a **CF** grant to complete the interior of a building erected downtown by the village and use it to house its farmer's market. The sheltered space allows them to extend the time the market can operate. The market can now be open from early spring through late fall, no matter what the weather.



Marshall Public Library may be located in a stunning historic store front, but they wanted an interior that was safe, comfortable and modern. With a **CF** grant, the library replaced a part of the roof, laid new carpeting, installed flooring to provide a more stable base for book cases, and added new equipment to facilitate presentations.



When **Wilberton Township** in Fayette County got a \$12,000 estimate to fix their backhoe/front loader, they decided to call Rural Development about a **CF** grant. The funding allowed them to buy a more dependable and ultimately more affordable backhoe to maintain the township's roads and bridges.

November 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On Humanity: <i>"I want it said of me that I always plucked a thistle and planted a flower when I thought a flower would grow."</i></p> <p><i>A. Lincoln</i></p>				1	2	3
4 DAYLIGHT SAVING TIME ENDS	5	6 ELECTION DAY	7	8	9	10
11 VETERAN'S DAY	12 VETERAN'S DAY OBSERVED	13	14	15	16	17
18	19	20	21	22 THANKSGIVING FEDERAL HOLIDAY	23	24
25	26	27	28	29	30	

Partnerships

Rural Development works at the grassroots level, sharing our resources and expertise with people and communities to help them be successful. Critical to our success are the scores of partners with whom we work to maximize opportunities for our customers. Here is a sampling of our valued partners.



The Illinois Broadband Deployment Council, Connect SI, Illinois Telecommunications Association and Partnership for a Connected Illinois are some of the organizations with which Rural Development works to encourage the expansion of broadband in Rural Illinois. As a part of this effort, Rural Development awarded 15 loans and grants in Illinois this year through the **Broadband Initiative Program**. USDA's \$90 million broadband investment in FY 2011 will help to create jobs, spur economic development and equalize educational opportunities.



One of the many ways Rural Development has worked with **Western Illinois University's Illinois Institute for Rural Affairs** is by providing **RBEG** funding for its Peace Corps Fellow program over 17 years. Returning **Peace Corp Fellows**, also enrolled as AmeriCorps members, serve their graduate internships by using the skills in community and economic development to help under-served Illinois communities. Pictured here are the Fellows in front of Macomb City Hall during a break in their training.



By working with the **Association of Illinois Electric Cooperatives** and its members, Rural Development can greatly expand its reach to rural businesses and communities. With their commitment to sustainable community development, cooperatives apply for RD's zero-interest loans or grants and re-lend the funds for economic development and job creation projects. **Coles-Moultrie Electric Cooperative** awarded re-lent **REDL** funds to **CCI RediMix** to build a second ready mix concrete plant in Mattoon, creating new jobs.



Rural Development works with a score of non-profit organizations to help homebuyers across the state pull together the resources that will enable them to buy safe homes. **Tri-County Opportunities Council**, serving nine Northeastern Counties, collaborated with RD this year to help 10 homebuyers, including Sandra Bivens (left) use TCOC's programs and RD's **Direct** home loan program. Bivens accepted a welcome mat from (l to r) Director Callahan, TCOC's Susie Welch and RD Specialist Jan Studer.



December 2012



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
 <p>On the Future: <i>“Let us hope that by the best cultivation of the physical world, beneath and around us, and the intellectual and moral world within us, we shall secure an individual, social, and political prosperity and happiness whose course shall be onward and upward and which, while the earth endures, shall not pass away.”</i></p> <p><i>A. Lincoln</i></p>						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	CHRISTMAS FEDERAL HOLIDAY				

2011 Rural Development Investment in Illinois

Business Programs

Business and Industry Guaranteed Loans	\$36,851,000
Rural Business Enterprise Grants	\$911,000
Rural Business Opportunity Grants	\$50,000
Intermediary Relending Program	\$505,000
Rural Energy for America Program Grants	\$1,521,653
Rural Energy for America Program Guaranteed Loans	\$49,750
Advanced Biofuel Payments	\$8,146,862
Rural Economic Development Loans	\$1,480,000
Rural Economic Development Grants	\$100,000
Rural Microentrepreneur Assistance Grant	\$40,000

Total **\$ 49,655,865**

Housing Programs

Single Family Guaranteed Rural Housing Loans	\$431,357,585
Single Family Direct Housing Loans	\$22,528,384
Single Family Repair Loans and Grants	\$2,421,169
Multi-Family Direct Rural Rental Housing Loans	\$4,124,751
Multi-Family Preservation & Revitalization Loans	\$1,508,900
Multi-Family Housing Rehab Loans	\$857,583
Multi-Family Rental Assistance	\$22,525,296
Multi-Family Rental Vouchers	\$321,972
Housing Preservation Grants	\$215,243
Farm Labor Housing Loans	\$187,650

Total **\$481,066,195**

Community Programs

Direct Community Facilities Loans	\$9,891,000
Guaranteed Community Facilities Loans	\$7,135,000
Community Facilities Grants	\$303,829
Economic Impact Initiative Grants	\$224,050
Rural Community Development Grants	\$175,105
Water and Waste Loans	\$32,516,000
Water and Waste Grants	\$9,215,450
Water and Waste Predevelopment Grants	\$39,500
Non-Profit Individually Owned Well Grants	\$50,000

Total **\$59,549,934**

Nationally Delivered Utility Programs

Electric	\$18,196,000
Broadband/Telephone	\$89,941,244

Total **\$108,372,244**

Grand Total **\$698,644,238**



Office of the Year - Effingham Area Office

Front row: Kevin Mellendorf, Ron Zwilling, Steve Bohnhoff;
Back row: Bev Bower, Phyllis Reardon, Bev Gorrell, Director
Colleen Callahan, Chris Wolfe, Dan Jansen, and Rick Koester

**Best
of the
Best**

Employee of the Year

Linda Kinzinger

Area Technician
Mt. Vernon Area Office





Program Summary

Committed to the future of rural communities.

HOUSING PROGRAMS: *Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved and participating lenders, mortgage companies)*

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single Family Housing Direct Loans (502)	Provide safe, well-built, affordable homes for rural Americans	Families and individuals	Buy, build, improve, repair or rehabilitate the applicant's permanent residence. Purchase price and size limits apply.	Rural areas of 20,000 or less	Direct loan	Up to 100 percent of market value or cost, whichever is less. 33 and 38 years fixed rate. Applicants may be eligible for payment assistance (funded buy down) on the loan.
Single Family Housing Guaranteed Loans (502)	Help applicants buy their homes by guaranteeing loans made by private lenders	Families and individuals	Purchase new or existing home	Rural areas of 20,000 or less	Loan guarantee	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100 percent of market value plus a guarantee fee.
Single Family Housing Direct Repair Loans and Grants (504)	Help very-low-income homeowners remove health and safety hazards or repair their homes	Families and individuals who currently own their home	Repair or replace roof, winterizing, purchase or repair of heating system, structural repair, and water, sewage connect fees, etc	Rural areas of 20,000 or less	Direct loan, grant	Loan up to 20 years at 1% percent; may not exceed \$20,000. Grants up to \$7500 only available to very-low-income applicants 62 or older who cannot afford to pay 1% loan.
Mutual Self-Help Housing Grants (523)	Assist lower income families in building their own homes	Non-profits and public bodies	Technical assistance to qualify and supervise small groups of families to build each other's homes	Rural areas of 20,000 or less	Grant	Two year grant agreement. Homeowners must provide 65% of the necessary labor.
Rural Rental Housing Direct Loans (515)	Provide safe, well-built, affordable rental housing for very-low, low and moderate income individuals and families	Individuals, limited profit and non-profit organizations	New construction or rehabilitation of rental housing	Rural of 20,000 or less	Direct loan; rental assistance	Non-profit up to 100% of total development cost; for-profit up to 97%. 30-year term with up to 50 year amortization. For-profit organizations with Low-Income Housing Tax Credits: 95% of total development costs.
Rural Rental Housing Guaranteed Loans (538)	Provide safe, well-built, affordable rental housing for very low to low income individuals and families.	Individuals, partnerships, LLC's, trusts, state and local agencies and Indian Tribes	New construction or substantial rehabilitation of rental housing	Rural of 20,000 or less	Loan guarantee	For-profit up to 90% loan to value; non-profit up to 97% loan to value. Repayment: 25 to 40 year fixed rates.
Housing Preservation Grants (533)	Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families.	Public bodies and non-profit organizations	Operation of a program which finances repair and rehabilitation for single family and small rental properties.	Rural areas of 20,000 or less	Grant	Two year grant agreement
Farm Labor Housing (514 & 516)	Provide safe, well-built affordable rental housing for farm workers.	Public and private non-for-profit (NFP) organizations, farm owners, farm partnerships, farm corporations and LLC's	New construction or substantial rehabilitation of housing for farm workers and agricultural processing workers.	No population restriction	Direct loan, grant	Loans up to 102% of total development cost at 1% for up to 33 years. Grants to NFP's for up to 90% of total development cost. Resident farm workers and processing workers must be permanent residents or US citizens.

BUSINESS PROGRAMS: *Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to participating lenders*

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
B&I - Business and Industry	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Businesses apply through Federal or State chartered banks, credit unions, savings & loan associations or Farm Credit Services	Most legal business purposes except production agriculture. Includes acquisition, start-up and expansion of businesses that create rural employment	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Loan guarantee	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
IRP - Intermediary Relending Program	Capitalize local revolving loan funds for the purpose of financing business facilities and community development.	Public bodies, non-profit corporations, Native American tribes, and cooperatives	Support community development, establish or expand businesses, create or save rural jobs	Rural areas and incorporated places with populations of less than 25,000	Direct loan	The intermediary makes loans to businesses on terms consistent with security offered. Loan term to intermediary is 1% interest for 30 years.
RBEG - Rural Business Enterprise Grants	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private non-profit corporations, and federally recognized Native American tribes	Buy and develop land; establish a revolving loan fund; purchase equipment; construct buildings, streets, parking areas, utility extensions; adult job training; and rural distance learning networks	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Grant	When grant funds are used for revolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
REDLG - Rural Economic Development Loans and Grants	Finance economic development and job creation through local rural utilities.	Electric and telephone utilities eligible for financing from the Rural Utilities Service	Establish revolving loan funds or lend funds to local for-profit and non-profit businesses as well as public bodies for projects that will create or retain jobs	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Direct loan; grant for revolving loan program	The intermediary (electric or telephone utility) makes loans to ultimate recipients. Loans to the utility are 0% interest for up to 10 years.
RBOG - Rural Business Opportunity Grants	Finance technical assistance for business development and conduct economic development planning in rural areas.	Public bodies, non-profit corporations, Indian tribes on Federal or State reservations, and cooperatives with primarily rural members	Technical assistance, leadership development, new business support centers, economic development planning and training	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Grant	Must be completed within 2 years after project has begun.
RCDG - Rural Cooperative Development Grants	Establish and operate centers to help set up cooperatives or improve the operations of existing cooperatives, resulting in an improved rural economy.	Non-profit corporations and institutions of higher learning. Apply directly to the Rural Development National Office	Conduct feasibility studies, business plans, and applied research plus provide training, instruction and other technical assistance to existing cooperatives and businesses seeking to form a cooperative	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Grant	Specific selection criteria. Grants are awarded on a competitive basis; require a minimum 25% match.
VAPG - Value-Added Producer Grants	Help agricultural producers enter into activities that add value to their commodities.	Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures	Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start or expand the operations of a venture	No population restriction	Grant	Specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Dollar-for-dollar match required.
REAP - Rural Energy for America	Support for energy efficiency and renewable energy systems in rural areas.	For renewable energy, energy efficiency improvements, feasibility studies - agricultural producers and rural small businesses For energy audit and renewable energy development assistance - public bodies, institutions of higher learning, rural electric co-ops and others	Renewable energy projects, energy efficiency improvements, feasibility studies, and energy audit and renewable energy development assistance	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Loan guarantee and grant	Specific selection criteria. Loans cannot exceed 75% of eligible project costs. Grants are awarded on a competitive basis; cannot exceed 25% of eligible project costs.
RMAP - Rural Microentrepreneur Assistance Program	Provide support for the ongoing success of rural micro-entrepreneurs and microenterprises.	Non-profit entities and public institutions of higher learning that have managed revolving loan funds, been trained in microenterprise development or are active in the SBA Microloan Program	Making microplans for working capital, furniture, supplies, inventory and equipment, debt refinancing, business acquisitions; business-ready real estate. Grants for training and assistance for current and potential micro-borrowers	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas	Grant/loan combo; loan only; technical assistance-only grant	Loan repayment: 20 years at 2%; two year payment deferral. Minimum loan - \$50,000; maximum loan in any given year - \$500,000

COMMUNITY PROGRAMS: *Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to participating lenders*

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
CF - Community Facilities (Includes Faith-Based and First Responder)	Provide essential community facilities for rural communities.	Public bodies, non-profit organizations, and Indian tribes.	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Rural areas of 20,000 or less	Direct loan, loan guarantee, grant	Direct - up to 100% of market value. 40 years or life of security. <u>Grant</u> - maximum 75% of project cost. <u>Guarantee</u> - up to 90%; fixed or variable rate set by lender; useful life not to exceed 40 years
RCDI -Rural Community Development Initiative	Help recipients develop the capacity to undertake housing, community, or economic development projects.	Private, non-profit or public organizations legally organized for at least 3 years and have experience working with non-profit organizations and low-income communities	Intermediary provides technical and financial assistance to help non-profits and low-income rural communities undertake housing, community, or economic development projects.	All areas with less than 50,001 residents and not contiguous or adjacent to an urban area	Grant	Grants are awarded on a competitive basis. Three year grant agreement with matching funds.
Water and Waste Disposal	Develop water and wastewater systems.	Public entities, Indian tribes, and non-profit corporations	Build, repair, and improve public water systems, and waste collection and treatment systems, and related costs.	Rural areas, cities, and towns up to 10,000	Direct loan; grant; loan guarantee	Interest rates are set quarterly. Repayment - up to 40 years. Grants may be available. Guarantees up to 90% available to eligible lenders.
PPG - Predevelopment Planning Grants SEARCH - Special Evaluation Assistance for Rural Communities and Households	Pay costs associated with developing an RD application for a proposed water or wastewater project.	Public entities and non-profit corporations	Predevelopment costs, (e.g., preliminary engineering and environmental report) for entities intending to apply in the near future for water and waste funding from Rural Development. SEARCH uses include preliminary design and technical assistance.	PPG - Rural areas of 10,000 or less <u>SEARCH</u> - Rural areas of 2,500 of less	Grant	Median household income in the service area must be less than \$39,056. Applications accepted year round. PPG - Grants up to \$25,000 or 75 percent of the project costs, <u>SEARCH</u> - Grants available up to 100% of eligible costs; \$30,00 maximum grant
SWMG - Solid Waste Management Grants	Reduce or eliminate pollution of water resources and improve solid waste sites.	Non-profit organizations and public bodies	Provide technical assistance and training to communities. Improve planning and management of solid waste facilities.	Rural areas, cities and towns up to 10,000	Grant	Projects are funded based on selection at the National level. Applications are accepted from October 1 to December 31 of each year.
DLT - Distance Learning and Telemedicine	Bring electronic educational resources to rural schools and improve rural health care delivery.	For-profit and non-profit incorporated entities-that operate rural schools, libraries, health care clinics and other educational or health care facilities	Hardware and software (e.g., cameras, video monitors, computers, and LAN) and for healthcare facilities (e.g., medical records programs, teleradiology, digital microscopes)	Rural areas with 20,000 or less	Direct loan and/or grant	Matching funds are required.
Community Connect	Provide broadband in unserved areas to provide public safety services and foster economic growth.	For-profit entities, non-profit and cooperative associations, public bodies and other utilities. Apply directly to Rural Development National Office.	Construct, acquire, or lease facilities to deploy broadband transmission services. Improve, expand, construct or acquire a community center with at least 10 computer access points free from charges for two years.	Rural areas with 20,000 or less	Grant	Grants awarded on a competitive basis annually. 15% matching contribution required. \$50,000 minimum; no maximum amount.
Farm Bill Broadband Program	Bring broadband service to unserved and underserved communities.	Legally organized entities (except those serving more than 2% of the telephone subscriber lines) providing or proposing to provide broadband service in eligible communities	Construct, acquire, and improve broadband transmission facilities and equipment; land and buildings used to provide broadband service; and refinance Telecommunications Program debt.	Eligible rural communities with 20,000 or less	Direct loan	Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of the assets financed. Loans are guaranteed at the interest rate set by the private lender for no more than 80% of the principal amount.
Electricity and Telecommunications	Provide reliable, affordable electricity and telecommunications.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities. Apply directly to Rural Development National Office.	Upgrade, expand, maintain, and replace the rural electric infrastructure, such as Generation, transmission, and distribution of electric power, 911 emergency service, digital switching equipment, fiber optic cable, telecommunications and broadband services.	<u>Electric</u> - Rural areas as defined by the U.S. Census. <u>Telecommunications</u> - Rural areas with 5,000 or less	Direct loan; loan guarantee	Interest rates are established in accordance with 7 CFR 1745.

Contact Information

Contact any USDA Rural Development office for more information about the agency's funding opportunities.

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Effingham
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Area 3 Offices

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618.656.7300 x 4

Mt. Vernon
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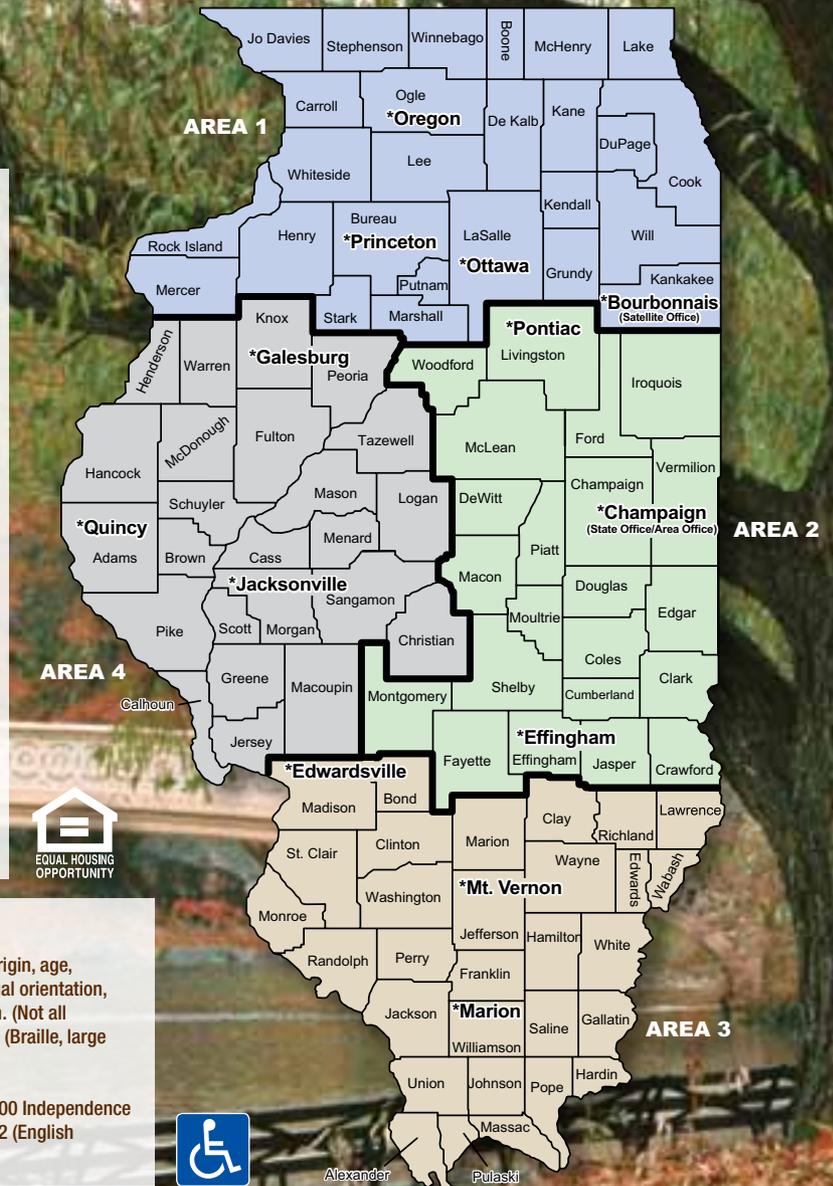
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