



Committed to the future of rural communities.

VERMONT NEW HAMPSHIRE



ANNUAL
REPORT 2012



Historic Investments in Rural Communities Help Strengthen Rural Economy

Since 2009, President Obama's plan for rural America has brought about historic investment in rural communities that have made them stronger and more vibrant. Under the President's leadership, investments in broadband, businesses, housing, safe water and community facilities have benefited rural America – strengthening not just the rural communities themselves, but the overall economy.

In June 2011, President Obama announced the establishment of the White House Rural Council to enhance coordination between the Department of Agriculture and other government departments to facilitate program delivery. This year the Rural Council played a major role in helping communities stay resilient through a historic drought – and I know that we can carry out even more work together in 2013.

The president's decision to expand investments in rural development and establish the Rural Council is paying off. The rural economy is growing, thanks to the success of a comprehensive rural strategy and vision for the future to spur innovation and expand opportunities for rural enterprises. Agriculture is now one of the fastest-growing parts of our economy – it's related in some way to one out of every 12 American jobs.

Smart investments in clean energy, through the Administration's "all-of-the-above" energy strategy, are another key component of this comprehensive rural effort. In 2012, USDA Rural Development invested more than \$76 million in about 1,600 renewable energy projects across rural America. Energy savings from these renewable energy projects, everything from anaerobic digesters and wind turbines to energy efficient doors on your grocer's freezer case, are freeing up revenue that can be reinvested in rural America. Energy savings are also passed along to the end-consumers, lowering their energy costs and boosting their available household incomes. Further, we helped make possible additional advanced biorefineries and, since 2009, Rural Development has helped make possible nine such projects across America.

USDA's investments in rural communities support the rural way of life that stands as the backbone of our core American values. This report tells many of the stories of how USDA assistance has helped to improve the economic stability of rural towns, businesses, residents, farmers and ranchers and improve the quality of life in rural America. In 2012, Rural Development helped carry out more than 1,500 new Community Facility projects – helping libraries, medical centers, schools and more. This report explains how Federal employees across America are partnering with local citizens to help rural communities at large.

Finally, Rural Development continued in its record efforts to help small, rural businesses grow and thrive. We provided nearly 10,000 additional loans and grants for rural businesses this year – and since 2009 USDA has provided nearly 60,000 such efforts to help rural business grow and thrive.

We must continue to make critical investments in broadband, bio-products, and strengthening capital markets for rural America, and targeting those investments to the parts of rural America that face the greatest economic need. If the past four years have taught us anything, we have learned that the key to a strong economy and the long-term fiscal health of America is smart, efficient, and effective investment in rural America.

I am proud of the role that our rural communities played this year to keep the American economy moving forward. President Obama and I are committed to ensuring that they remain great places for families to live for generations to come. I am pleased that we can share these successes with you.

Sincerely,

Tom Vilsack, U.S. Secretary of Agriculture



USDA Rural Development Support Brings Greater Opportunity to Rural America

During the past 75 years, augmented with the infusion of more than \$20 billion in investments through the American Recovery and Reinvestment Act of 2009 (the Recovery Act), the overall USDA Rural Development outstanding loan portfolio has grown to over \$176 billion. These investments in rural America have provided affordable housing, improved utility infrastructure, and helped businesses and cooperatives create jobs, build rural economies, and increase the quality of life in rural America.

We have much to celebrate in Fiscal Year 2012. Overall, USDA Rural Development leveraged more than \$30 billion in investments toward projects in rural communities. Many are the result of grassroots collaboration and creative partnerships between USDA employees and local organizations, governments, Tribes or individuals. It's amazing what these partnerships can achieve. Even relatively small amounts of financing can have lasting impacts for those in need.

Through Rural Development's infrastructure development programs, we made investments in rural utility systems that helped to improve and expand the rural electrical grid, provide clean drinking water to rural communities, and deliver faster Internet service to rural families and to businesses, allowing them to compete in the fast-paced global economy. In 2012, we provided nearly 64,000 rural residents with new or better access to broadband Internet service, provided millions of customers with new or improved electric service, and provided millions more with new or improved water or wastewater service. Rural Development provided approximately \$4.7 billion in electric loans, \$173 million in telecommunications loans and grants, and \$1.4 billion in water and waste disposal loans and grants.

Through Rural Development's business and cooperative loan, grant and technical assistance programs, the agency helped almost 10,000 rural small business owners or farmers improve their enterprises in 2012. Beyond the direct assistance to these business owners and producers, financial support from USDA is also creating lasting economic development opportunities in the rural communities where these projects are located. Business and cooperative program funding created or saved an estimated 53,000 rural jobs in 2012.

Rural Development is the lead agency ensuring that rural families have access to safe, well-built, affordable homes. A house is more than just a roof over peoples' heads. A house also helps families plant long-term roots in their community. In 2012, Rural Development helped 7,940 families with limited incomes obtain safe, affordable homes. We helped more than 145,000 moderate-income families purchase single-family homes under the single-family guaranteed loan program. We also helped more than 7,000 rural individuals or families repair their existing homes under the USDA home repair loan and grant program.

In 2012, USDA Rural Development helped more than 270,000 low- and very low-income families, who were able to live in safe, USDA-financed multi-family housing thanks to rental assistance to bring their rents to an affordable level. We also helped approximately 1,700 families move in to new apartment units.

In 2012, Rural Development, through its Community Facilities loan and grant program, provided assistance to construct or improve 48 rural libraries, and provided support for almost 250 health care projects – part of more than 1,500 Community Facility projects nationwide this year.

In addition to our efforts to support education and health care, another key aspect of the Community Facilities program is the ability to support emergency responders. For example, this report discusses how USDA provided funding to Madison, Florida, for an aerial ladder truck for fire protection. Over the years, prior to receiving assistance from USDA Rural Development, a number of Madison’s local businesses and other buildings were destroyed by fires because the city lacked equipment that could fight blazes in multi-story structures.

Finally, I want to publicly thank the men and women who work in USDA Rural Development. Our agencies have labored under a tough fiscal reality that has resulted in a substantial reduction of our workforce. Today, our portfolio is strong, thanks to their efforts.

Prosperity in rural America depends on ensuring that residents have a wide range of economic opportunities and can participate fully in the global economy. Thanks to the countless rural Americans who use our more than 40 loan, grant, and technical assistance programs, we are helping to create sustainable jobs, and we are laying a strong foundation for rural America in the future.

Sincerely,
Dallas Tonsager
 Under Secretary for Rural Development



State Director Message

Dear All,

The privilege of public service is great and the challenge of providing excellent public service in the current environment is enormous! We, at USDA Rural Development VT/NH, are truly grateful for the opportunity.

In January 2012, our staff was whittled by 20% and the money to support the work of the remaining team was cut by 58%. In spite of these reductions, with program dollars at the same or greater amounts and individuals, organizations and communities in need, the RD team went to work. Through their valiant efforts, water systems and critical community facilities were improved, businesses were expanded and homes were built.

The numbers give credence to these observations. In 2012, USDA RD invested a total of \$136,834,719 in Vermont and \$214,179,022 in New Hampshire. This report provides detail about where and for what these dollars were spent.

Our mission at USDA is “to increase economic opportunity and improve the quality of life for all who live in rural communities”. We took great strides in accomplishing this mission during the past year but as the President would say, “There is still so much more to be done.”

Thank you for opportunity to continue these efforts. In partnership with each of you, we will ensure that the rural communities of Vermont and New Hampshire remain vital contributors to the quality of life enjoyed by all who live, work and play within their boundaries.

Sincerely,
Molly Lambert, State Director VT /NH

Vermont*		New Hampshire**	
PROGRAM AMOUNT		PROGRAM AMOUNT	
Business	2,869,145	Business	4,811,199
Energy	991,642	Energy	568,612
Community Facilities	5,888,540	Community Facilities	6,592,100
Housing	120,698,614	Housing	189,809,668
Utilities	6,386,778	Utilities	12,397,443
TOTAL	\$136,834,719	TOTAL	\$214,179,022

*Detailed Projects by County: <http://www.rurdev.usda.gov/Reports/vtFY2012ProjectsbyCoFinalJan2013.pdf>

**Detailed Projects by County: <http://www.rurdev.usda.gov/Reports/nhFY2012ProjectsbyCoJan2013.pdf>

By the Numbers

734 jobs were saved or created

191 businesses were assisted



BUSINESS PROGRAMS

Creating Jobs and Sustainable Opportunities

Our Business & Cooperative Programs help rural business owners-entrepreneurs and our nation's agricultural communities meet the challenges of an intensely competitive, highly networked global economy. We do this by creating and supporting opportunities for economic growth in rural America.

Business and Industry Guaranteed Loan Program - These loan guarantees provide financial assistance to fund projects that create or preserve jobs. The recipient of a loan guarantee is a financial institution that makes Loans to business owners in rural areas.

Intermediary Relending Program - This program provides funding to capitalize long term community-based revolving loan funds for nonprofit corporations, public bodies, cooperatives or other legal entities to finance business ventures.

Rural Business Enterprise Grants - These grants, through non-profits or government agencies, finance and facilitate development of small and emerging rural business.

Rural Business Opportunity Grants - These grants promote sustainable economic development by providing training and technical assistance to business developers, entrepreneurs and economic development officials. They also assist with economic development planning.

Value-Added Producer Grants - These grants can be used by agribusinesses, farmer groups and cooperatives to finance professional planning, feasibility studies and working capital for marketing new value-added agricultural ventures

16 farms and businesses benefited by energy efficiency

ENERGY PROGRAMS

Advancing Renewable Energy

Our Energy Program supports the efforts of farmers and rural small businesses to save and produce renewable energy – reducing America's dependence on foreign oil and risks to our environment.

Rural Energy for America Program Grants and Loan Guarantees (REAP) - This program provides financing for agricultural producers and rural businesses to purchase and install renewable energy systems and make energy efficiency improvements.



1,764 families became new homeowners

HOUSING PROGRAMS

Homeownership Opportunities

Our Housing Programs help provide safe, affordable rental housing in rural areas and also afford low and moderate income individuals and families the ability to realize the American dream of homeownership.



Single Family Housing -Section 502 Direct Loan and Guaranteed Loan Programs offer families and individuals with low to moderate incomes the ability to become homeowners at affordable rates and terms. Section 504 Home Repair Loan and Grant Program offers 1% loans to individual very low income households and grants to applicants age 62 or over.

Multi-Family Housing - The Section 515 Rural Rental Housing Loan, Section 538 Loan Guarantee and Section 521 Rental Assistance Program provide affordable rental housing opportunities at new and revitalized rental housing complexes.

Housing Preservation Grant - These grants provide capital to non-profits to act as intermediaries to help low income homeowners or landlords make needed repairs that enable residents to remain in their homes safely and affordably.

6 health care projects, 7 public safety projects (police, fire, ambulance and rescue), 3 educational programs, 2 food pantries, 1 energy efficiency project and 4 libraries



COMMUNITY FACILITIES

Protecting Infrastructure & Public Safety

Our Community Facilities Program works as an investment bank for small rural communities to assist them with construction, equipment and renovation of essential community facilities including schools, town halls, police and fire stations, health care centers and childcare facilities.

Community Facilities Grants, Loans and Loan Guarantees - These funds are available to finance capital projects and community facilities in rural areas. Eligible recipients include community based non-profit organizations and public bodies.

8 communities have cleaner water

UTILITIES

Public Services, Clean Water & Telecommunications

Our Utilities Programs offer opportunities for water distribution, wastewater disposal and treatment, telecommunications and broadband access.

Water and Environmental Programs - These programs provide direct loans and grants to finance water and wastewater systems in rural communities.

Solid Waste Management Grants - These grants are available to public entities and non-profit organizations to identify and evaluate solutions to solid waste issues on a regional basis in rural areas.

Broadband - This national program provides funding for broadband infrastructure in rural communities.



Contact VT/NH USDA Rural Development at 802-828-6080

<http://www.rurdev.usda.gov/nh-vtHome.html>

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