

UNNUMBERED LETTERS ISSUED FOR THE JUNE OF 2012

Dated	Subject	Distribution
06-11-12	Funding of Section 523 Mutual Self-Help Housing Grants For Fiscal Year 2012	S/D
06-19-12	Guidance on Radon Resistant Construction and Radon Mitigation	S/D
06-21-12	Interest Rate Changes for Community Facilities	S/D, AD & RDM
06-21-12	Interest Rate Changes for Water and Waste Disposal Loans	S/D, AD & RDM
06-26-12	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, AD & RDM
06-26-12	Dedicated Loan Origination System (DLOS) Annual Access Review	S/D
06-27-12	Single Family Housing Guaranteed Loan Program FY 2012 Appropriations Restrictions on Use of Funds to Enter into Financial Transactions with Felon or Tax Delinquent Corporations	S/D
06-28-12	Rural Business Enterprise Grant Program Rural Economic Area Partnerships Fiscal Year 2012	S/D
06-28-12	Rural Economic Development Loan and Grant Program Projects Funded for March, Fiscal Year 2012	S/D
06-28-12	Rural Economic Development Loan and Grant Program Projects Funded for April, Fiscal Year 2012	S/D
06-28-12	On-Line Homeownership Education	S/D

June 11, 2012

TO: State Directors  
Rural Development

ATTENTION: Housing Program Directors  
Self Help Program

FROM: Tammye Treviño *(Signed by Tammye Treviño)*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Funding of Section 523 Mutual Self-Help Housing Grants  
For Fiscal Year 2012

This memorandum provides guidance on the processing and funding of Section 523 Mutual Self-Help Housing Grant requests for the remainder of Fiscal Year 2012. Because of limited funding, there are restrictions on existing grantees. Requests from new groups for new and pre-development grants will be available but very limited.

#### **EXISTING PERFORMING GRANTEES**

Existing grantees that are performing satisfactorily may renew their grants at the same funding level as their previous grant. No increases will be allowed over the amount of the previous grant.

For grants under \$300,000, the following must be submitted to the National Office:

- Completed Form RD 1940-1, "Request for Obligation for Funds."
- State Office analysis and recommendation.
- Technical and Management Assistance (T&MA) contractor review and recommendation.
- Draft letter of conditions (if any).
- Completed survey on ensuring equal opportunity for applicants.

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Housing Programs

For grants of \$300,000 or more, the above documentation must be submitted along with the entire case file.

In order to conserve funds, subsequent grant requests will not be considered except in rare cases beyond the reasonable control of the grantee. Therefore, it is imperative that initial budgets and proposals be well developed and realistic. Any requests for a subsequent grant must be accompanied by a well-documented explanation for the need for additional funds.

### **New and Pre-Development Grants**

There has been considerable interest from not-for-profit organizations to participate in the Section 523 Self-Help Housing Program but budget constraints over the past several years have significantly affected the Agency's ability to consider expanding the program. However, if an existing grantee chooses not to renew their grant application or otherwise ceases to operate as a result of the stressed economic environment, a new grantee will be allowed to replace the former grantee. The replacement grantee does not have to be in the same state as the former grantee but they must be in the same T&MA region. The funding amount for the replacement grantee should not exceed the grant amount of the former grantee unless prior approval from the National Office is obtained.

In addition, each T&MA region will be allowed one new pre-development grant of \$10,000 and one full grant not to exceed \$300,000. These proposals must be for underserved areas, tribal lands or colonias. These applications must be submitted to the National Office after review by the State Office and the T&MA contractor no later than close of business August 31, 2012. States should continue to work with their T&MA contractor and all applications should be carefully reviewed before submission.

If you have any questions, please contact Akua Assata, Loan Specialist at (202) 690-3832, or Carolyn Bell, Acting Director, Single Family Direct Loan Division at (202) 720-1532.

June 19, 2012

TO: State Directors  
Rural Development

ATTN: Single-Family Housing (SFH) Program Directors, Multi-Family Housing (MFH) Program Directors, Community Facilities (CF) Program Directors, Loan Specialists, Public Information Coordinators (PICs)

FROM: Tammye Treviño                   *(Signed by Tammye Treviño)*  
Administrator  
Rural Housing Service

SUBJECT: Guidance on Radon Resistant Construction and Radon Mitigation

## Introduction

This Unnumbered Letter regarding radon gas mitigation applies to all housing and community facilities, low-rise buildings and dwellings for the above-mentioned programs. Its intention is to guide staff to best serve our borrowers and protect their health while investing in buildings and homes with Agency funding.

Radon is a radioactive gas that has been found in homes and low rise buildings all over the United States. It comes from the natural breakdown of uranium in soil, rock and water and enters the air you breathe.

From the EPA's website on Radon at [www.epa.gov/radon/healthrisks.html](http://www.epa.gov/radon/healthrisks.html):

*Radon is the number one cause of lung cancer among non-smokers, according to EPA estimates. Overall, radon is the second leading cause of lung cancer. Radon is responsible for about 21,000 lung cancer deaths every year. About 2,900 of these deaths occur among people who have never smoked. On January 13, 2005, Dr. Richard H. Carmona, the U.S. Surgeon General, issued a national health advisory on radon. Read a study by Dr. William Field on radon-related lung cancer in women at: [www.cheec.uiowa.edu/misc/radon.html](http://www.cheec.uiowa.edu/misc/radon.html)*

EXPIRATION DATE:  
June 30, 2012

FILING INSTRUCTIONS:  
Housing Programs

## **Radon-Resistant New Construction of Low-Rise Housing and Community Facilities**

New homes can be built to resist radon entry. The additional cost at the time of construction is minimal. When installed properly, the basic radon-resistant new construction techniques greatly reduce the lung cancer risk that may occur from radon in the home. From the EPA website (December 2011):

*Using common materials and straightforward techniques, builders can construct new homes that are resistant to radon entry....Radon-resistant new construction (RRNC) typically costs a builder between \$250 and \$750, depending on the size and location of the house. RRNC can cost less than \$250 if the builder already uses some of the same techniques for moisture control.*

For more detail on radon-resistant new construction techniques, licensed builders and state contacts, see the EPA website on radon-resistant new construction:  
[http://www.epa.gov/radon/rrnc/builders\\_basics.html](http://www.epa.gov/radon/rrnc/builders_basics.html)

## **Testing for Radon**

Testing for radon is simple and inexpensive. The only way to know if a home has high radon levels is to conduct a test. The radon level in a nearby home or housing unit is not a reliable predictor levels. There are two methods of testing for radon; short-term and long-term. For more information and a list of state radon contacts, visit  
<http://www.epa.gov/radon/pubs/citguide.html>

EPA has developed a map to assist National, State, and local organizations to target their resources and to implement radon-resistant building codes. The map can be found here:  
<http://www.epa.gov/radon/zonemap.html>. The map is not intended to be used to determine if a home in a given zone should be tested for radon. Homes with elevated levels of radon have been found in all three zones. All homes should be tested regardless of geographic location.

## **Radon Testing and Mitigation of Existing Low-Rise Housing and Community Facilities**

It is recommended that homes, housing and community facilities in Zones 1 and 2 of the Radon Map that do not have properly installed radon mitigation systems, or have not been tested within 5 years should be tested. If it is not known whether a building or home has been tested, and/or the results are inaccessible or unclear, it is recommended to retest. There are a variety of sources to procure testing kits. The EPA website describes such sources and also recommends a hotline through Kansas State University: 1(800)SOSRADON or 1 (800) 767-7236. The website:  
<http://www.epa.gov/radon/radontest.html>

EPA recommends fixing homes and buildings above an “action level” of 4 picoCuries (pCi/L) per liter of air. Fixing a home can greatly reduce the likelihood that an inhabitant will suffer from radon-induced lung cancer.

It is important that qualified contractors are employed in the testing for radon (if you hire a professional), to ensure construction of radon-resistant buildings and mitigation of radon in existing buildings and homes. It's also important to understand state requirements for radon testing and mitigation. See <http://www.epa.gov/radon/whereyoulive.html> to find the radon contacts for each state.

### **Multifamily Housing Energy-Efficiency Scoring in NOFAs**

Radon-Resistant new construction is already an integral part of several green and healthy housing programs, such as:

- EPA's Indoor airPLUS (IAP)  
([http://www.epa.gov/indoorairplus/construction\\_specifications.html#radon\\_control](http://www.epa.gov/indoorairplus/construction_specifications.html#radon_control))
- U.S. Green Building Council LEED for Homes Rating System
- National Association of Home Builders (NAHB)

Scoring points in several of the Notices of Funding Availability for multifamily housing will reflect the priority of radon mitigation.

### **Sources of Funding for Radon Mitigation for Single Family Housing**

While funding for the Section 504 program is limited, its aim is to assist elderly and very-low income homeowners with health, safety and welfare renovations. Radon mitigation would qualify under this program. See the program requirements for these sources of funding and be aware that this program has very limited funding and is often oversubscribed, particularly in the grant program. Consider the use of loan funds to complement grant funds for eligible borrowers.

The Section 504 program is only for a specific population of borrowers for single family housing and the majority of our borrowers in the direct and guaranteed Section 502 loan programs would not be eligible for this funding. However, the Agency can still share important information regarding radon with these borrowers. Some states have adopted building codes that require radon mitigation, and Agency staff should make borrowers aware of this when applicable. In most cases, however, there will not be a building code that mandates testing and mitigation. The Agency strongly recommends that staff distribute the EPA pamphlets on radiation or send them electronically to borrowers when possible. The Agency also recommends that loan specialists bring up the topic of radon in discussions with borrowers so that they may make their own decisions about their health and the health of their families.

The Section 502 direct loans program does administer loans for rehabilitation and radon mitigation would be an eligible repair to apply for such funds. Rehabilitation is not an approved loan purpose for the Section 502 guaranteed loan program. It is expected that borrowers that meet the income requirements for the Guaranteed loan program, 115% of median income, would have more resources to afford to make the necessary repairs to mitigate radon on their own.

The USDA Cooperative Extension System is a source for radon education outreach to help individuals and families make informed decisions about radon testing and mitigation. Referrals

can be made to local Extension Educators or State Extension Specialists in Land-Grant Universities to assist families. Locate the local Cooperative Extension Office and/or State Extension Specialists at [http://nifa.usda.gov/qlinks/partners/state\\_partners.html](http://nifa.usda.gov/qlinks/partners/state_partners.html). These educators are trained professionals funded through local, state, and federal revenue.

## **Conclusion**

Any home or building may have a radon problem. This unnumbered letter is meant to raise awareness and distribute information to demonstrate the importance of radon risk reduction. States are requested to become knowledgeable about the requirements and resources within their state, focus attention on the issue, and promote radon mitigation strategies in the delivery of programs where possible. When required by state law, states must ensure new homes and buildings are constructed with radon mitigation techniques and existing homes and buildings are professionally tested. Contact your state radon office for additional information.

June 21, 2012

TO: State Directors  
Area Directors  
Rural Development Managers

ATTN: Community Facilities Program Directors

FROM: Tammye Treviño *(signed by Tammye Trevino)*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Community Facilities

Effective from July 1, 2012, through September 30, 2012, the interest rates for direct community facility loans are as follows:

Poverty Line...unchanged at.....4.500%  
Intermediate...increased to.....4.000%  
Market.....increased to.....3.500%

For this quarter, all loans may be obligated at the lower market rate. Please notify appropriate personnel of these rates.

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Administrative/Other Programs

June 21, 2012

TO: State Directors  
Area Directors  
Rural Development Managers

ATTN: Utilities Program Directors

FROM: Jonathan Adelstein  
Administrator  
Rural Utilities Service

SUBJECT: Interest Rate Changes for Water and Waste Disposal Loans

Language in the Consolidated Farm and Rural Development Act requires that the poverty rate and the intermediate rate be determined based on the approval date of the loan. For those loans approved on or after May 23, 2008, the poverty rate will be set at 60 percent of the market rate and the intermediate rate set at 80 percent of the market rate, adjusted to the nearest one-eighth of one percent. Following are the new interest rates for water and waste disposal loans approved on or after May 23, 2008:

Poverty Line...increased to.....2.125%  
Intermediate...unchanged at.....2.750%  
Market.....increased to.....3.500%

For loans approved but not closed on or before May 22, 2008, the poverty rate will remain fixed at 4.500 percent and the intermediate rate will continue to be set at one-half of the difference between the poverty line rate and the market rate. Following are the new interest rates for water and waste disposal loans approved on or before May 22, 2008:

Poverty Line...unchanged at.....4.500%  
Intermediate...increased to.....4.000%  
Market.....decreased to.....3.500%

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Administrative/Other Programs

For this quarter, all loans approved or obligated before May 22, 2008 may be obligated at the lower market rate. These rates will be effective from April 1, 2012, through June 30, 2012.

**Also, the rate for watershed protection and flood prevention loans and resource conservation and development loans is as follows:**

CURRENT RATE	NEW RATE
3.750%	3.375%

Please notify appropriate personnel of these rates.

Sent by Electronic Mail on 3/23/2012, at 9:30 am by Program Analysis Branch. State Directors should advise other personnel as appropriate.

June 26, 2012

TO: State Directors  
Area Directors  
Rural Development Managers

ATTN: Rural Housing Program Directors

FROM: Tammye Treviño *(signed by Cristina Chiappe)* *for*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Housing Programs  
and Credit Sales (Nonprogram)

The following interest rates, effective July 1, 2012, are reported as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
<b>ALL LOAN TYPES</b>		
Treasury Judgment Rate	0.180%	0.210%

The new rate shown above is as of the week ending May 25, 2012. The actual judgment rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield ([http://www.federalreserve.gov/releases/h15/data/Weekly\\_Friday\\_H15\\_TCMNOM\\_Y1.txt](http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_H15_TCMNOM_Y1.txt)).

**RURAL HOUSING LOANS**

Rural Housing (RH) 502 Very-Low or Low	3.250	3.125
---	-------	-------

EXPIRATION DATE:  
July 31, 2012

FILING INSTRUCTIONS:  
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	3.750	3.625
Rural Housing Site (RH-524), Non-Self-Help	3.250	3.125
Rural Rental Housing and Rural Cooperative Housing	3.250	3.125

Please notify appropriate personnel of these rates.

Sent by Electronic Mail on 6/26/2012, at 10:50 am by Policy Analysis Branch. State Directors should advise other personnel as appropriate.

June 26, 2012

TO: State Directors  
Rural Development

ATTN: Program Directors  
Single Family Housing

FROM: Tammye Treviño *(Signed by A. Cristina Chiappe)* for  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Dedicated Loan Origination System (DLOS)  
Annual Access Review

A response to this memorandum is due within 45 days from the date of issuance.

As outlined in the Dedicated Loan Origination System (DLOS) Manual, Single Family Housing (SFH) Program Directors are required to complete an annual review of their employees with DLOS access to ensure that each user has the “least privilege” needed in order to perform their work functions and to ensure adequate separation of duties in the loan process.

To complete the review, Program Directors should obtain the “FY12 DLOS Access Review” spreadsheet by following the instructions below.

- Open SharePoint using the following link:  
<https://rd.sc.egov.usda.gov/teamrd/hcfp/sfh/default.aspx>
- Locate the spreadsheet using the following path: Single Family Housing Information (under Documents) > Direct Program Information > Reports > FY12 DLOS Access Review
- Download the spreadsheet by right clicking on the file, select “Save Target As”, choose file destination, and then save.
- Thoroughly read the review instructions on the first tab.
- Complete the needed information under the DLOS tab.
- Respond to the Questionnaire Survey at the link provided in the instructions.
- Email the updated spreadsheets to [SFHDirectProgram@wdc.usda.gov](mailto:SFHDirectProgram@wdc.usda.gov).

With the recent retirement of numerous Rural Development employees that were devoted to the SFH Direct Programs, there has been an increase in requests to expand the remaining employees' DLOS authorities and/or servicing areas. The National Office is receptive to these requests but the State Office must be able to demonstrate that granting these requests will not weaken the Agency's monitoring controls or increase the risk of fraud.

The Information Systems Security Staff (ISSS) will send a bulletin to your ISSS Points of Contact (POC) informing them of this project. The SFH Direct Loan Division will work with the ISSS personnel and your ISSS POCs to implement your requested changes.

If you have questions regarding this memorandum, please contact Scott Nista at [scott.nista@usda.gov](mailto:scott.nista@usda.gov).

June 27, 2012

TO: State Directors  
Rural Development

ATTENTION: Housing Program Directors,  
Guaranteed Loan Specialists,  
Area Directors and Area Specialists

FROM: Tammye Treviño                    *(Signed by A. Cristina Chiappe)*        *for*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program  
FY 2012 Appropriations Restrictions on Use of Funds to Enter into  
Financial Transactions with Felon or Tax Delinquent Corporations

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012 (P.L. 112-55), restricts agencies from entering into financial transactions with corporations that have been convicted of felonies within the past 24 months or that have Federal tax delinquencies where the agency is aware of the felonies and/or tax delinquencies. Single family housing loan guarantees are subject to the provisions of this law. Therefore, prior to issuance of a loan note guarantee, approved corporate lenders must complete a representation regarding felony convictions or tax delinquent status.

This unnumbered letter provides interim guidance for states in implementing the restrictions of the law. Form AD-3030, "Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants" must be attached to Form RD 1980-18, *Conditional Commitment for Single Family Housing Loan Note Guarantee*.

**EXPIRATION DATE:**  
September 30, 2012

**FILING INSTRUCTION:**  
Housing Programs

**IMPLEMENTATION:**

Effective upon publication of this notice, states must select the “Additional conditions and requirements” checkbox on Form RD 1980-18, for corporate lenders and insert the following language in the space provided:

*Subject to lender assurance regarding felony conviction or tax delinquency status, attached.*

Form AD-3030 must be included as an attachment to Form RD 1980-18. The Agency will be unable to issue a loan note guarantee if the approved lender does not comply with the provisions of P.L. 112-55.

Questions regarding this process may be directed to Debbie Terrell, of the Guaranteed Loan Division, at (918) 534-3254, or via email at: [debra.terrell@wdc.usda.gov](mailto:debra.terrell@wdc.usda.gov).

**AD-3030** **U.S. DEPARTMENT OF AGRICULTURE**

**REPRESENTATIONS REGARDING FELONY CONVICTION  
 AND TAX DELINQUENT STATUS FOR CORPORATE APPLICANTS**

**Note:** You only need to complete this form if you are a for profit or non-profit entity that has filed articles of incorporation in one of the 50 States, the District of Columbia, or the various territories of the United States including American Samoa, Federated States of Micronesia, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, Republic of Palau, Republic of the Marshall Islands, or the U.S. Virgin Islands.

*The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552(a), as amended). The authority for requesting the following information for USDA Agencies and staff offices is in §738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012, P.L. 112-55. The authority for Forest Service is in §433 and 434 of the Consolidated Appropriations Act 2012, P.L. 112-74. The information will be used to confirm applicant status concerning entity conviction of a felony criminal violation, and unpaid Federal tax liability status.*

*According to the Paperwork Reduction Act of 1985 an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0505-0025. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

1. APPLICANT'S NAME	2. APPLICANT'S ADDRESS (Including Zip Code)	3. TAX ID NO. (Last 4 digits)
---------------------	---	----------------------------------

- 4A. Has the Applicant been convicted of a felony criminal violation under Federal or State law in the 24 months preceding the date of application?     YES     NO
- 4B. Has any officer or agent of Applicant been convicted of a felony criminal violation for actions taken on behalf of Applicant under Federal or State law in the 24 months preceding the date of signature?     YES     NO
- 4C. Does the Applicant have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability?     YES     NO

Providing the requested information is voluntary. However, failure to furnish the requested information will make the applicant ineligible to enter into a contract, memorandum of understanding, grant, loan, loan guarantee, or cooperative agreement with USDA, and may be subject to administrative suspension debarment proceedings.

**PART B – SIGNATURE**

5A. APPLICANT'S SIGNATURE (BY)	5B. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY	5C. DATE SIGNED (MM-DD-YYYY)
--------------------------------	--	---------------------------------

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

June 28, 2012

TO: State Directors, Rural Development  
ATTN: Business Programs Directors  
SUBJECT: Rural Business Enterprise Grant Program  
Rural Economic Area Partnerships  
Fiscal Year 2012

We have recently completed the Rural Economic Area Partnerships (REAP) funding cycle. The National Office received seven requests for funds totaling \$711,278. We are pleased to announce that all projects were selected for funding. Attached is the list of awardees.

This completes the REAP funding cycle for fiscal year 2012 established in RD Instruction 1940-L. All set-aside funds allocated must have an obligation date of no later than June 29, 2012. Any funds not obligated by that date will be pooled and used as unrestricted reserves in the June 2012 National Office Reserve funding cycle.

*(Signed by Chad Parker) for*

PANDOR H. HADJY  
Deputy Administrator  
Business Programs

Attachment

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Community/Business Programs

**Rural Business Enterprise Grant Program Rural Economic Area Partnerships**  
Fiscal Year 2012

<b><u>State</u></b>	<b><u>Applicant</u></b>	<b><u>Amount Awarded</u></b>
VT	Northeast Organic Farming Association	\$55,500
ND	Bowman County Development Corporation	\$73,500
VT	Saint Johnsbury Works, Inc.	\$100,000
ND	Maddock Opera House Association	\$62,000
VT	Northern Community Investment Corporation	\$99,000
VT	Center for an Agricultural Economy	\$191,849
VT	VT State College – Lyndon State College	<u>\$129,429</u>
		\$711,278

June 28, 2012

TO: State Directors, Rural Development  
ATTN: Business Programs Directors  
SUBJECT: Rural Economic Development Loan and Grant Program  
Projects Funded for March, Fiscal Year 2012

Business Programs has announced loan and grant selections for the March funding for fiscal year (FY) 2012, under the Rural Economic Development Loan and Grant program. A listing of the loan and grant awards is attached for your information.

During the March cycle of FY 2012, eight zero-interest loan applications, for \$6,200,000, were considered by Business Programs. Based on the availability of funds, all applications were selected for funding. These funds will be leveraged by \$18,133,539 of private and public financing, directly creating an estimated 373 jobs and retaining 56 jobs.

In addition to the loan selections, eight grants totaling \$2,290,000, to finance a revolving loan fund program that will be operated by a rural utility, were selected for funding. As a result of these grants, the initial zero-interest loans from the revolving loan fund program, leveraged by \$9,810,837 of private and public financing, will directly create 238 jobs.

If you have any questions, please contact Cindy Mason, Business Loan and Grant Analyst, at (202) 690-1433, or Melvin Padgett, Business Loan and Grant Analyst, at (202) 720-1495, Specialty Programs Division.

*(Signed by Chad Parker) for*

PANDOR H. HADJY  
Deputy Administrator  
Business Programs

Attachments

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Community/Business Programs

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM  
REQUEST FOR LOAN FUNDS – March Funding FY 2012**

FY 2012 Allocated Funds	\$33,077,000.00
Carryover Funds	\$46,149,943.22
Total Available	\$79,226,943.22
Less October Funding	\$ 3,669,000.00
Less November Funding	\$ 1,697,750.00
Less December Funding	\$ 1,290,000.00
Less January Funding	\$ 1,194,000.00
Less February Funding	\$ 214,100.00
Less March Funding	\$ <u>6,200,000.00</u>
Balance Remaining	\$64,962,093.22

<b>State</b>	<b>Project</b>	<b>Loan Amount</b>	<b>REDL Number</b>
MO 43	Laclede Electric Cooperative	\$ 500,000	1341
TN 20	Gibson Electric Membership Corporation	\$1,000,000	1342
MS 40	Southern Pine Electric Power Association	\$ 740,000	1343
SC 14	Aiken Electric Cooperative, Inc.	\$ 740,000	1344
NC 51	Lumbee River Electric Membership Corporation	\$1,000,000	1345
TX 163	Big Country Electric Cooperative, Inc. (Sterling Management Company of New Mexico, LLC)	\$ 740,000	1346
TN 46	Caney Fork Electric Cooperative, Inc.	\$ 740,000	1347
TX 163	Big Country Electric Cooperative, Inc. (Development Corporation of Snyder, Inc.)	\$ 740,000	1348
	<b>8 Loans</b>	<b>Total</b>	<b>\$6,200,000</b>
<b>Balance of Loan Funds After Above Request:</b>			<b>\$64,962,093.22</b>

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM  
REQUEST FOR GRANT FUNDS – March Funding FY 2012**

FY 2012 Allocated Funds	\$ 4,930,086.22
Carryover Funds	<u>\$ 5,069,913.78</u>
Total Available	\$10,000,000.00
Less October Funding	\$ 850,000.00
Less November Funding	\$ 300,000.00
Less December Funding	\$ 794,800.00
Less January Funding	\$ 300,000.00
Less February Funding	\$ 300,000.00
Less March Funding	<u>\$ 2,290,000/00</u>
Balance Remaining	\$ 5,165,200.00

<u>State</u>	<u>Project</u>	<u>Grant Amount</u>	<u>REDG Number</u>
MS 40	Southern Pine Electric Power Association	\$300,000	545
NE 108	City of Cozad	\$190,000	546
NE 109	City of Lexington	\$300,000	547
TN 46	Caney Fork Electric Cooperative, Inc.	\$300,000	548
NC 51	Lumbee River Electric Membership Corporation	\$300,000	549
TX 163	Big Country Electric Cooperative, Inc. (Sterling Management Company of New Mexico, LLC)	\$300,000	550
TX 163	Big Country Electric Cooperative, Inc. (Development Corporation of Snyder, Inc.)	\$300,000	551
NE 110	City of Gothenburg	\$300,000	552

**8 Grants      Total                      \$2,290,000**

**Balance of Grant Funds After Above Request:                      \$5,165,200**

June 28, 2012

TO: State Directors, Rural Development  
ATTN: Business Programs Directors  
SUBJECT: Rural Economic Development Loan and Grant Program  
Projects Funded for April, Fiscal Year 2012

Business Programs has announced loan and grant selections for the April funding for fiscal year (FY) 2012, under the Rural Economic Development Loan and Grant program. A listing of the loan and grant awards is attached for your information.

During the April cycle of FY 2012, seven zero-interest loan applications, for \$4,084,000, were considered by Business Programs. Based on the availability of funds, all applications were selected for funding. These funds will be leveraged by \$26,615,000 of private and public financing, directly creating an estimated 116 jobs and retaining 332 jobs.

In addition to the loan selections, two grants totaling \$495,108, to finance a revolving loan fund program that will be operated by a rural utility, were selected for funding. As a result of these grants, the initial zero-interest loans from the revolving loan fund program, leveraged by \$1,126,662 of private and public financing, will directly create 346 jobs.

If you have any questions, please contact Cindy Mason, Business Loan and Grant Analyst, at (202) 690-1433, or Melvin Padgett, Business Loan and Grant Analyst, at (202) 720-1495, Specialty Programs Division.

*(Signed by Chad Parker) for*

PANDOR H. HADJY  
Deputy Administrator  
Business Programs

Attachments

EXPIRATION DATE:  
September 30, 2012

FILING INSTRUCTIONS:  
Community/Business Programs

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM  
REQUEST FOR LOAN FUNDS – April Funding FY 2012**

FY 2012 Allocated Funds	\$33,077,000.00
Carryover Funds	\$46,149,943.22
Total Available	\$79,226,943.22
Less October Funding	\$ 3,669,000.00
Less November Funding	\$ 1,697,750.00
Less December Funding	\$ 1,290,000.00
Less January Funding	\$ 1,194,000.00
Less February Funding	\$ 214,100.00
Less March Funding	\$ 6,200,000.00
Less April Funding	\$ 4,084,000.00
Balance Remaining	\$60,878,093.22

<b>State</b>	<b>Project</b>	<b>Loan Amount</b>	<b>REDL Number</b>
AR 22	Clay County Electric Cooperative Corporation	\$ 500,000	1349
IL 54	Eastern Illini Electric Cooperative	\$ 650,000	1350
MN 56	Crow Wing Cooperative Power and Light	\$ 375,000	1351
MN 537	Consolidated Telephone Company	\$ 375,000	1352
OR 45	Oregon Trail Electric Consumers Cooperative, Inc.	\$ 184,000	1353
WI 29	Clark Electric Cooperative	\$1,000,000	1354
WY 12	Lower Valley Energy	\$1,000,000	1355

**7 Loans                      Total                      \$4,084,000**

**Balance of Loan Funds After Above Request:                      \$60,878,093.22**

**RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM  
REQUEST FOR GRANT FUNDS – April Funding FY 2012**

FY 2012 Allocated Funds	\$ 4,930,086.22
Carryover Funds	<u>\$ 5,069,913.78</u>
Total Available	\$10,000,000.00
Less October Funding	\$ 850,000.00
Less November Funding	\$ 300,000.00
Less December Funding	\$ 794,800.00
Less January Funding	\$ 300,000.00
Less February Funding	\$ 300,000.00
Less March Funding	\$ 2,290,000.00
Less April Funding	<u>\$ 495,108.00</u>
Balance Remaining	\$ 4,670,092.00

<b>State</b>	<b>Project</b>	<b>Grant Amount</b>	<b>REDG Number</b>
MN 96	Beltrami Electric Cooperative, Inc.	\$195,108	553
IA 108	Algona Municipal Utilities	\$300,000	554
<b>2 Grants Total</b>		<b>\$495,108</b>	
<b>Balance of Grant Funds After Above Request:</b>		<b>\$4,670,092</b>	

June 28, 2012

TO: State Directors  
Rural Development

ATTN: Program Directors  
Single Family Housing

FROM: Tammye Treviño *(Signed by A. Cristina Chiappe)* *for*  
Administrator  
Housing and Community Facilities

SUBJECT: On-Line Homeownership Education

The purpose of this memorandum is to inform State and Field Office staff that eHome America remains a nationally approved on-line homeownership provider. The on-line course offered by eHome America continues to meet the Agency's needs as a provider for on-line homeowner education.

***Since this course includes an on-line assistance feature and a personal counseling session, it also meets the intent of the Handbook preference for classroom or one-on-one training. As such, it may be included on the State's list of approved local homeowner education providers.***

Customers who are interested in taking this course should be referred to the affiliated non-profit agency for their area. If there is not a local organization serving the area where the customer resides, the customer may take the course on-line directly through eHome America. To find participating organizations affiliated with eHome America's course, visit the website [www.eHomeAmerica.org](http://www.eHomeAmerica.org).

Although the Agency has approved eHome America as an on-line homeownership education provider, Rural Development is not an affiliate of eHome America or provider of the course itself. As such, agency staff should not provide technical assistance to customers regarding course instructions and/or procedures. ***Field Office staff should not refer customers to the National Office for instructions on how to utilize the course.*** Applicants should be referred to either the eHome America website or their technical support line at (800) 299-0267.

EXPIRATION DATE:  
June 30, 2013

FILING INSTRUCTIONS  
Housing Programs

**It is important to note that the Agency does not have a preference regarding classroom training and/or the eHome on-line course. This unnumbered letter should not be construed as a requirement to take any one particular course over the other. Both methods are acceptable.**

The National Office encourages Field and State Office staff to continue to familiarize themselves with the eHome course. States should refer to the Power Point presentation from the 2011 Single Family Housing Policy Meeting as well as refer to the Frequently Asked Questions (FAQ) document posted to SharePoint.

SharePoint can be accessed using the following link:  
<https://rd.sc.egov.usda.gov/teamrd/hcfp/sfh/default.aspx>

To retrieve the documents use the following paths:

Power Point Presentation:

[Single Family Housing](#) > [Single Family Housing Information](#) > [SFH National Policy Meeting, August 9-11,2011](#) > [PowerPoint Presentations](#) > [Direct Lending Program](#) > 502 Direct Important Topics That Didn't Fit Elsewhere

FAQ path:

[Single Family Housing](#) > [Single Family Housing Information](#) > [Direct Program Information](#) > National Office Approved On-line Homeownership Education Providers

Questions regarding on-line homeownership education should be directed to Shantelle Gordon of the Single Family Housing Direct Loan Division by sending an email to [SFHDIRECTPROGRAM@WDC.USDA.GOV](mailto:SFHDIRECTPROGRAM@WDC.USDA.GOV).