



Committed to the future of rural communities.

## Almost Heaven WV Mountain State Rural Express



“Wild, Wonderful & Open For Business”

January, 2008

### Message From WV State Director Rick E. Rice

The Rural Renaissance is upon us and West Virginia USDA Rural Development employees have accepted the challenges it brings with open arms.

What is Rural Renaissance? Rural Renaissance is all about change; the rural marketplace is changing. Our organization is here to embrace the opportunities that Rural Renaissance has for West Virginia residents. We are here to build upon USDA Rural Development’s mission of enhancing economic opportunity and improving the quality of life in rural America.



I invite you to contact your local USDA Rural Development office or you may contact the State Office customer toll-free telephone line at 1-800-295-8228.

We offer over 40 programs, including: Single-Family Housing, Multi-Family Housing, Housing Preservation Grants, Broadband, Distance Learning & Telemedicine, Water & Wastewater, Business, Cooperative, Community Facilities, and technical assistance, to name a few.

We will be out there in your community trying to educate your community leaders about what we have to offer. Please step up to the challenge and join us in spreading the word—we are here to help rural West Virginia!

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### USDA Rural Development Invests Over \$190 Million in West Virginia During FY 2007

“It proved to be a phenomenal year for Rural Development in West Virginia as we continued toward our mission **To Increase Economic Opportunity and Improve the Quality of Life for all Rural Americans,**” stated WV State Director Rick Rice.

**Over \$190 Million** was invested during Fiscal Year 2007 (more than a 15% increase over the \$163.7 Million in Fiscal Year 2006) in West Virginia through its housing, utilities and infrastructure, community facilities, and business/cooperative programs.

“Rural Development’s commitment to the future of rural communities is clearly seen through this investment of federal funds into WV, helping us get closer to our vision of a healthy, safe and prosperous place to live and work,” added Rice.

The grants and loans awarded through Rural Development in Fiscal Year 2007 included \$96.9 Million through the Utilities and Telecommunications Programs, Water and Wastewater programs assisting over 32,702 users.

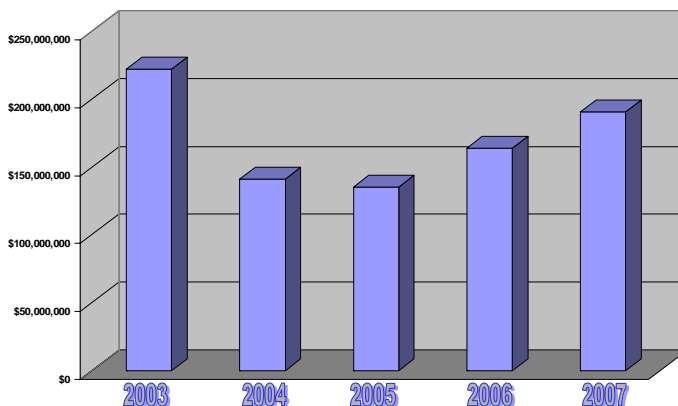
Community Facilities loans and grants totaled over \$7.4 Million, while there was over \$2.5 Million invested through the Business and Cooperative Programs creating 121 jobs, saving 350 jobs, and assisting 54 businesses.

The investment also included over \$4.5 Million through the Section 538 Guaranteed Multi-Family Housing Program (162 units constructed) and over \$7 Million obligated through the Rural Rental

Housing Assistance (RA) program.

West Virginia Single-Family Housing Programs obligated 885 loans/grants for a total of over \$71.7 Million through the Section 502 Direct loans, Section 502 Guaranteed loans, Section 504 Repair and Rehabilitation loans and grants, Section 533 Housing Preservation Grants, Leveraged Loans, and Section 523 Self-Help Grants programs.

USDA Rural Development Investment in WV



**USDA Rural Development’s Mission:**  
**To Increase Economic Opportunity and Improve The Quality of Life for All Rural Americans.**

**USDA Rural Development’s Vision:**  
**A Rural America That Is A Healthy, Safe & Prosperous Place To Live and Work.**

## Fullen Family Recognized For Conservation Efforts

John Fullen, Rural Development Manager in Lewisburg, was a finalist among six farms in West Virginia for the 2007 West Virginia State Conservation Farmer of the Year Award.

The Fullen family was first selected as the 2007 Greenbrier Valley Conservation District Conservation Farmer.

Pictured (front row, l to r) at the State competition is Katlyn, Sarah and Rebecca Fullen; (second row, l to r) WV Depart-

ment of Agriculture Commissioner Gus Douglass, John and Amy Fullen; (third row, l to r) Norman Bailey of the WV State Conservation Agency (in the far left background at the podium), Truman Wolfe of the WV State Conservation Agency, USDA Natural Resources Conservation Service State Conservationist Kevin Wickey, President of the WV Association of Conservation Districts Carl Mullins, and Farm Service Agency State Executive Director Robert P. Ferrebee.



## STEPPING STONES ACADEMY BENEFITS FROM COMMUNITY FACILITIES PROGRAM

More than ten years ago a small daycare was started to help the employees of one company in the Raleigh County Industrial Park. Over the years, it continued to grow as other companies' employees started to use the daycare.

The organization's reputation for child development made it one of the more desirable daycares in the area.

About four years ago, a non-profit organization was found and the daycare was named "Stepping Stones Academy at the Woodlands, Inc." They had one big problem—they had outgrown the small space in the back of the building at the original company.

A member of the 4-C Economic Development Authority was on their board and suggested they research Appalachian Regional

Commission (ARC) and Rural Development funding for the construction of a new daycare facility.

Property had been given to them by the Raleigh Commission in a new area of the industrial park.

After researching and making contacts, ARC and Rural Development funding was obtained for the project.

Overcoming several problems with the bids and the cost of construction, the new center was finally completed in Fall 2007. The new facility is fully staffed and almost filled to capacity.

Stepping Stones Academy provides high quality daycare in a safe, secure and convenient location for employees of the industrial park and surrounding areas.



Receiving appreciation plaques from Judy Radford, 4-C Economic Development Authority Executive Director, is Ralph Goolsby, WV Development Office (above) and Kitty Saddler, Rural Development's Area III Assistant Director (below).



An Open House and Ribbon Cutting was held November 27, 2007. The highlight of the ceremony was a performance by some of the children and the presentation of appreciation plaques.

## Interested In A Guaranteed Community Facilities Loan?

Under the Community Facilities Guaranteed Loan program, USDA Rural Development guarantees commercial loans made by banks, savings and loans, mortgage companies and Farm Credit System banks, or insurance companies regulated by the National Association of Insurance Commissioners.

Applicants interested in this type of funding must apply to a conventional lender, who then arranges with USDA Rural Development for the lenders lending to applicants that are public entities such as municipalities, counties, special-purpose districts, Indian tribes, and corporations not operated for profit to be used to develop essential community facilities.

Community Facilities Guaranteed Loans can be made in combination with Community Facilities Direct Loans and Grants. Most frequently asked questions for the Guaranteed Community Facilities Loans are addressed below:

### 1. What is a guaranteed loan?

Community Facilities guarantees the loan rather than the lending directly. A lender applies for the Community Facilities guarantee, and makes and services the loan. The guarantee cannot exceed 90 percent of the loan amount. The processing of the loan and the requirements placed on the organization receiving the loan are the lender's responsibility.

### 2. What is an essential community facility?

Essential community facilities must meet all the following criteria: provide an essential public service to the local community, a service that is typically provided by a local unit of government; be needed for the

orderly development of the rural community and considered a public improvement; does not include private, commercial or business undertakings; and must include significant community support.

### 3. What types of entities qualify for funding?

Public bodies (towns, cities, counties, or special-purpose districts), nonprofit organizations including cooperatives operated on a not-for-profit basis, and Federally recognized Indian tribes.

### 4. Where are the applications processed?

All applications are filed and processed in either the State or local USDA Rural Development office where the project is located. Contact Paula Moeller, Community Facilities Specialist, at (304) 284-4888 and request information on how to proceed with your loan request.

### 5. What is the processing time for an application?

Approximately 45 days is required to determine applicant eligibility. After a complete application is submitted, time to process the application depends upon the scope of the project, environmental review, and legal issues.

### 6. What is the maximum loan I can apply for?

There is no set maximum loan limit with the Community Facilities Guaranteed Loan programs. The amount that can be financed is determined by project feasibility and payment ability.

### 7. Can we pay 100% of the project costs with Community Facilities funds?

Community Facilities Guaranteed Loan funds can be used to pay 100% of the project costs.

### 8. Can we use Community Facilities funds to refinance existing debts?

Refinancing existing debts may be considered an eligible guaranteed loan purpose if the debt being refinanced is a secondary part of the loan, is associated with the project facility, and if the organization's creditors are unwilling to extend or modify terms in order for the new loan to be feasible.

### 9. What are the population limits?

Currently, eligibility is limited to cities and towns of 20,000 inhabitants or less, based on the 1990 census report. Unincorporated and open areas are also eligible for this program.

### 10. Who prepares the feasibility study and what is required?

Feasibility studies are normally required when loans are for start-up facilities or existing facilities when the project will significantly change the borrower's financial operations. The feasibility study should be prepared by an independent consultant with recognized expertise in the type of facility being financed.

### 11. What are the interest rates and terms of the loans?

For the guaranteed loan program, interest rates are negotiated between the lender and the organization and can be a fixed or variable rate. Loan repayment terms may not exceed the organization's authority (under State law or organizational structure), the useful life of the facility, or 40 years.

### 12. What forms are required for filing a guaranteed loan application?

There are only a few basic Community Facilities forms required.

All other documentation will be either on lender or borrower forms. Your lender should contact the Rural Development State Office where you are located in order to obtain all necessary forms. For those lenders new to the Community Facilities Guaranteed Loan program, Rural Development staff members will provide guidance.

### 13. What security is required for a loan note guarantee?

The security is determined by the lender. The "security package" can include many elements such as real estate, equipment, accounts receivable, assured income and significant community support. Rural Development is willing to offer a loan note guarantee based on a security package that best ensures repayment of the loan.

### 14. What lenders are eligible to participate in the Guaranteed Loan Program?

All lenders that have oversight from a federal or state agency and are willing to maintain responsibility for servicing of the loan are eligible for the program.

### 15. What is the percent of loan note guarantee?

The maximum percent of loan note guarantee is 90%.

### 16. What are the benefits for a lender participating in the Guaranteed loan program?

The benefits are the reduced credit risk the guarantee offers on the financing of specialized facilities that may not have the hard collateral value to fully fund a project, loss protection, marketability of the loan note guarantee on the secondary market, reduced appraisal requirements, FDIC oversight, and Community Reinvestment Act credits.



## “Wild, Wonderful & Open For Business”

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Almost Heaven WV  
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**We're on the Web!**

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