



## PROGRAMS SUMMARY



**COMMITTED TO THE FUTURE OF RURAL COMMUNITIES**



## PROGRAMS SUMMARY

*Thank you for your interest in USDA Rural Development's programs. Our goal is to work through partnerships to enable rural communities to become sustainable--to grow and to prosper according to community based strategic plans. Rural Alabama is one of the state's greatest resources: small towns and communities are rich in history, architecture, recreational opportunities, and natural resources. However, often the technical and financial resources to enable these communities to reach their potential are lacking. USDA Rural Development offers rural areas of the state a committed partner to work together to improve the quality of life.*

*USDA Rural Development programs, help with low interest loans and grants for housing, water and wastewater systems, community facilities, energy projects, and business development. Through our community and infrastructure programs, loans and grants are available to non-profits and public bodies to construct, extend or improve water and waste disposal systems in rural areas and towns, as well as to assist with projects such as health care, public safety, and public services. Examples include hospitals, clinics, nursing homes, adult and child care centers, police and fire stations/vehicles/equipment, courthouse, airports, schools, community centers, etc. Homeownership financing is available to eligible individuals/families to purchase or construct a home. Working with the private sector and community-based organizations, USDA Rural Development can provide financial assistance to rural businesses creating or preserving jobs in rural areas. Our single family housing program is administered through our local offices. Our community and business programs initiate from our area offices.*

*USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents.*

*If you would like to have more information on any of our programs, please let us know. USDA Rural Development is here to serve the people of rural Alabama—this is both our mission and our commitment.*



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## USDA Rural Development Program Fact Sheet

### UTILITIES PROGRAMS

<i>Program</i>	<i>Objective</i>	<i>Applicant</i>	<i>Uses</i>	<i>Eligible Area</i>	<i>Assistance</i>	<i>Terms/Conditions</i>
<i>Water and Waste Disposal Loans and Grants</i>	Provide infrastructure for rural areas.	Public entities and non-profit corporations apply to RD Area Office.	Build, repair and improve public water systems, waste collection and treatment systems, and other related costs.	Rural areas, cities and towns with up to 10,000 population.	Direct Loan Grant	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment period is a maximum of 40 years. Grant funds may be available.
<i>Water and Waste Disposal Loan Guarantees</i>	Provide infrastructure for rural areas.	Eligible lenders obtain guarantee for loans made and serviced by them. Lenders should contact RD Area Office.	Construct, repair, modify, expand and improve water supply and distribution systems, waste collection and treatment systems, and other related costs.	Rural areas, cities and towns with up to 10,000 population.	Loan Guarantee	Eligible lenders obtain up to a 90 percent guarantee on loans they make and service. Lenders should contact RD Area or State Office.
<i>Solid Waste Management Grant</i>	Provide technical assistance and/or training to help communities reduce solid waste stream.	Non-profit organizations and public bodies should contact the RD State Office.	Provide technical assistance and training to reduce pollution of water resources, improve management of solid waste facilities, and reduce solid waste in streams.	Rural areas, cities and towns with up to 10,000 population.	Grant	Projects are funded based on selection at National level. Applications are accepted from October 1 <sup>st</sup> to December 31 <sup>st</sup> of each year.
<i>Distance Learning and Telemedicine</i>	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities, including municipal corporations, on a for-profit or not-for-profit basis, that operate rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.	Equipment for classrooms: cameras, video monitors, computers, and LAN; for physician consultation, radiology, x-ray scanners and digital microscopes.	Rural areas with population of 20,000 or less.	Direct Loan Grant	Matching funds are required for grant only projects.
<i>Technical Assistance and Training Grants</i>	Provide technical assistance and/or training to associations located in rural areas.	Private non-profit organizations that have tax-exempt status granted by the IRS. Apply to RD State Office.	To identify and evaluate solutions to water and waste disposal problems, to improve the operation and maintenance of existing water and waste disposal facilities, and to assist associations in preparing applications for water and waste disposal facilities.	Rural areas, cities and towns with a population of up to 10,000.	Grant	Projects are funded based on selection at National level. Applications are accepted from October 1 <sup>st</sup> to December 31 <sup>st</sup> of each year.
<i>Rural Broadband Loan and Loan Guarantee</i>	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Cannot serve more than 2% of the telephone subscriber lines installed in the U.S.	The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunications Program Debt.	Eligible rural communities with a population of 20,000 inhabitants or less.	Direct Loan Loan Guarantee	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.



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### ***BUSINESS, COOPERATIVE AND ENERGY PROGRAMS***

<i><b>Program</b></i>	<i><b>Objective</b></i>	<i><b>Applicant</b></i>	<i><b>Uses</b></i>	<i><b>Eligible Area</b></i>	<i><b>Assistance</b></i>	<i><b>Terms/Conditions</b></i>
<i><b>Business and Industry Loan Guarantees</b></i>	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Business applies through Federal or State chartered banks, credit unions, savings and loan associations.	Acquisition, start-up and expansion of businesses that create rural employment; excluding production agriculture.	All areas except cities of more than 50,000 and their adjacent and contiguous urbanized areas.	Loan Guarantee	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
<i><b>Intermediary Relending Program Loans</b></i>	Finance business facilities, community development projects and job creation in rural areas.	Public bodies, private nonprofit corporations, and cooperatives apply to RD Area Office.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and towns with populations of less than 25,000.	Direct Loan	The intermediary, electric or telephone utility makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
<i><b>Rural Business Enterprise Grants</b></i>	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private nonprofit corporations and federally recognized Native American tribal groups apply to RD Area Office.	Buy and develop land, establish a revolving loan fund, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, technical assistance, rural distance learning networks.	All areas except cities of more than 50,000 and their adjacent and contiguous urbanized areas.	Grant	When grant funds are used for revolving loan funds (RLF) the intermediary makes loans to assist businesses from its RLF on terms consistent with security offered.
<i><b>Rural Business Opportunity Grants</b></i>	Finance technical assistance for business development and economic development planning in rural areas.	Public bodies, nonprofit corporations, cooperatives and federally recognized Indian tribal groups apply to RD Area Office.	Technical assistance, leadership training, establishment of business support centers, economic development plans.	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.
<i><b>Rural Economic Development Loans and Grants</b></i>	Finance economic development, community development, and job creation in rural areas.	Electric and telephone utilities eligible for financing from the Rural Utilities Service. Apply to RD Area Office.	Promote rural economic development and/or job creation. Business startups or expansion projects that create rural jobs.	Rural areas and towns.	Direct loan and revolving loan fund grant.	The intermediary, electric or telephone utility, makes loan to profit or nonprofit businesses and public bodies for rural economic development and/or job creation projects.
<i><b>Rural Cooperative Development Grants</b></i>	Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.	Non-profit corporations and institutions of higher education. Apply directly to RD National Office.	Establish operating centers for development of rural cooperatives.	All areas.	Grant	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis. Some funds are reserved for applicants that focus on assistance to small, minority producers through their cooperative businesses (governing board or membership at least 75 percent minority).



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<i><b>Value-Added Agricultural Product Market Development Grants</b></i>	Assist independent agricultural producers to 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. Apply to RD State Office.	Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start the operations of a venture.	All areas.	Grant	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.
<i><b>Small Minority Producer Grant (SMPG)</b></i>	Assist independent agricultural producers enter into value-added activities. Technical assistance.	Small minority cooperative or a minority association of cooperatives. Apply directly to the RD National Office.	Technical assistance	All areas except cities of more than 50,000	Grant	Must be solely for technical assistance. Grants are awarded on a competitive basis.
<i><b>Renewable Energy Systems and Energy Efficiency Improvements Grant Program</b></i>	Finance the purchase of renewable energy systems, and make energy improvements.	Agricultural producers and rural small businesses. Apply to RD Area Office.	Construction or improvements, purchase and installation of equipment, energy audits, permit fees, professional service fees, business plans, feasibility studies.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Grant Loan Guarantee	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Grant cannot exceed 25 percent of eligible project costs.
<i><b>Section 9003 Bio-refinery Assistance Program</b></i>	Provides loan guarantees for the development, construction and retrofitting of commercial-scale bio-refineries or for the retrofitting of existing facilities	Individual, Indian Tribe, Unit of state or local government, corporation, Farm Cooperative, Association of agricultural producers, National Laboratory, Institution of higher education, Public power entity, rural electric cooperatives	Purchase and installation of equipment, construction or retrofitting, permit and license fees, professional service fees, feasibility studies, working capital, land acquisition, business plans	Rural Areas	Loan Guarantee	Negotiated between the lender and the applicant.



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<i><b>Section 9004</b></i> <i><b>Repowering Assistance</b></i>	Provides payments to bio-refineries (that were in existence at the time the 2008 Farm Bill was passed) to replace fossil fuels used to produce heat or power to operate the bio-refineries with renewable biomass	Producers of Advanced Bio-fuels	Payments for production of advanced bio-fuels	Rural Areas	Grant	To be announced
<i><b>Section 9006</b></i> <i><b>Biodiesel Fuel Education Program</b></i>	To educate governmental and private entities that operate vehicle fleets, other interested entities and the public about the benefits of biodiesel fuel use	Non-profit Organization, Institution of Higher Educational		Rural Areas	Competitive Grant	To be announced
<i><b>Section 9007</b></i> <i><b>Rural Energy for America Program</b></i>	To promote energy efficiency and renewable energy development for agricultural producers and rural small businesses	Agricultural Producers and Small Businesses	Grants for energy audits and renewable energy development assistance and Financial assistance for energy efficiency improvements and renewable energy systems	Rural Areas	Competitive Grant	25% matching funds required from recipient on grants for energy audits.
<i><b>Section 9008</b></i> <i><b>Biomass Research and Development Initiative</b></i>	To carry out research on and development and demonstration of bio-fuels and bio-based products, and the methods, practices and technologies for their production	Institution of Higher Education, National laboratory, Federal Research Agency, State Research Agency, Private Sector Entity, Nonprofit Organization or Consortium		Rural Areas	Grant	Limit use of funds to 1 year



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### COMMUNITY FACILITIES PROGRAMS

<i>Program</i>	<i>Objective</i>	<i>Applicant</i>	<i>Uses</i>	<i>Eligible Area</i>	<i>Assistance</i>	<i>Terms/Conditions</i>
<p><i>Community Facilities Programs Direct Loan, Grant, and Loan Guarantees</i></p> <p><i>(First Responder)</i></p>	<p>Provide essential community facilities for rural communities.</p>	<p>Public bodies and non-profit organizations. Guaranteed loan apply to lender; direct loan and grant apply to RD Area Office.</p>	<p>Build facilities and purchase equipment for fire, rescue and police, early warning systems, libraries, telecommunications, schools, hospitals, municipal buildings, etc.</p>	<p>Rural areas and incorporated areas with populations of 20,000 or less.</p>	<p>Direct Loan Loan Guarantee Grant</p>	<p>Up to 100% of market value. Up to 40 years or life of security.</p>

### SINGLE FAMILY HOUSING PROGRAMS

<i>Program</i>	<i>Objective</i>	<i>Applicant</i>	<i>Uses</i>	<i>Eligible Area</i>	<i>Assistance</i>	<i>Terms/Conditions</i>
<p><i>Single Family Home Ownership Direct Loans</i></p>	<p>Safe, well-built, affordable homes for rural Americans.</p>	<p>Families and individuals apply to RD Area Office.</p>	<p>Buy, build, improve, repair or rehabilitate home as the applicant's permanent residence.</p>	<p>Rural areas with populations of 20,000 or less.</p>	<p>Direct Loan</p>	<p>Up to 100% of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.</p>
<p><i>Single Family Home Ownership Loan Guarantees</i></p>	<p>Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.</p>	<p>Families and individuals apply to approved lender.</p>	<p>Purchase new or existing home or refinancing.</p>	<p>Rural areas with populations of 20,000 or less.</p>	<p>Loan Guarantee</p>	<p>30 year, fixed rate. Interest negotiated between lender and applicant. Loans to 102% of market value.</p>
<p><i>Single Family Home Repair Loans and Grants</i></p>	<p>To help very-low-income applicants remove health and safety hazards or repair their home.</p>	<p>Families and individuals who currently own their home apply to RD Area Office.</p>	<p>Repair/replace roof, winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses.</p>	<p>Rural areas with populations of 20,000 or less.</p>	<p>Direct Loan Grant</p>	<p>Loan terms to 20 years at 1% interest. Assistance to individual may not exceed \$20,000. Grants available to applicants 62 years or older who cannot afford to pay 1% loan. Maximum grant is \$7,500.</p>
<p><i>Mutual Self-Help Housing Grants</i></p>	<p>Individual homes built by a group of applicants, with construction guidance of a non-profit organization.</p>	<p>Non-profits and public bodies.</p>	<p>Technical assistance to qualify and supervise small groups of families to build each others homes.</p>	<p>Rural areas with populations of 20,000 or less.</p>	<p>Grant</p>	<p>Grant agreement. Participation non-profit housing organization receives grant to hire a supervisor and pay other administrative expenses.</p> <p>Individual families receive a direct loan from Rural Development.</p>



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### MULTI-FAMILY HOUSING PROGRAMS

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<i>Rural Rental Housing Direct Loan</i>	Safe, well-built affordable rental housing for rural Americans.	Individuals, profit and non-profit organizations. Apply to RD Area Office.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of 20,000 or less.	Direct Loan	Up to 100% of market value (non-profits); 97% (for profits); 95% (LIHTC). 30 years with up to 50 year amortization.
<i>Rural Rental Housing Loan Guarantees</i>	Safe, well-built affordable rental housing for rural Americans.	Individuals, profit and non-profit organizations. Apply to lender.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of 20,000 or less.	Loan Guarantee	Up to 90% Guarantee Loan. Up to 90% LTV. 40 year maximum.
<i>Housing Preservation Grants</i>	Repair and rehabilitate housing owned or occupied by low income rural people.	Public bodies and non-profit organizations apply to RD Area Office.	Operate a program which finances repair and rehabilitation activities for single family properties.	Rural areas with populations of 20,000 or less.	Grant	Grant Agreement. Dwelling must be brought up to applicable building code.
<i>Farm Labor Housing</i>	Safe, well-built affordable rental housing for farm workers.	Individuals, profit and non-profit organizations apply to RD Area Office.	New construction or substantial rehabilitation of rental housing on-farm or off-farm.	N/A	Direct Loan Grant	For nonprofits, up to 102% total development cost of market value.  For profits, up to 100% total development cost of market value.  Up to 33 years at 1percent interest.



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## USDA Rural Development Program Fact Sheet

### Summary of Program Purposes

	Land & Building	Mach. & Equip.	Working Capital	Infrastructure	Train/ Tech.
<b>RURAL HOUSING</b>					
Single Family Housing - Direct loan	●				
Single Family Housing - Guaranteed loan	●				
Single Family Housing Repair - Loan/grant	●				
Rural Rental Housing - Guaranteed loan	●			●	
Rural Rental Housing - Direct loan	●			●	
Farm Labor Housing - Loan/grant	●			●	
Community Facilities - Direct loan/grant	●	●	●	●	
Community Facilities - Guaranteed loan	●	●	●	●	
Housing Preservation - Grant	●	●	●	●	●
<b>RURAL BUSINESS</b>					
Business & Industry - Guaranteed loan	●	●	●	●	
Rural Business Enterprise Grant	●	●	●	●	●
Intermediary Relending - Loan	●	●	●	●	
Rural Economic Development Loan and Grant	●	●	●	●	●
Rural Cooperative Development Grant				●	●
Value-Added Agricultural Product Market Dev. Grant			●	●	●
Rural Business Opportunity Grant					●
Renewable Energy/Energy Efficiency Grant	●	●		●	
<b>RURAL INFRASTRUCTURE</b>					
Water and Sewer - Loan/grant	●	●	●	●	
Water and Sewer - Guaranteed loan	●	●	●	●	
Solid Waste Management Grant					●
Rural Broadband Loan and Loan Guarantee	●	●		●	
Electric and Telecommunications - Direct/guar. loan	●	●		●	
Distance Learning & Telemedicine - Loan/grant		●		●	



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## USDA Rural Development Program Fact Sheet

### AREA OFFICES

*(HOUSING, COMMUNITY, BUSINESS & ENERGY PROGRAMS)*

Huntsville .....	4890 University Square, Suite 3-G • Huntsville 35816 .....	256-544-5795
	<i>Colbert, Franklin, Jackson, Lauderdale, Lawrence, Limestone, Madison, Marshall, Morgan</i>	
Anniston .....	1413 Hillyer-Robinson Industrial Parkway • Anniston 36207 .....	256-831-3067
	<i>Calhoun, Cherokee, Clay, Cleburne, DeKalb, Etowah, Randolph, St. Clair, Talladega</i>	
Dothan .....	205 W. Adams Street • Dothan 36303 .....	334-793-7819
Ozark .....	202 South Highway 123, Suite H • Ozark 36360 .....	334-774-4926
	<i>Barbour, Coffee, Covington, Crenshaw, Dale, Geneva, Henry, Houston, Pike</i>	
Opelika .....	600 South 7 <sup>th</sup> Street, Suite 1 • Opelika 36801 .....	334-745-7638
	<i>Bullock, Chambers, Coosa, Elmore, Lee, Macon, Montgomery, Tallapoosa, Russell</i>	
Tuscaloosa .....	3831-B Palisades Drive • Tuscaloosa 35405 .....	205-553-1733
	<i>Bibb, Fayette, Greene, Hale, Lamar, Pickens, Shelby, Sumter, Tuscaloosa</i>	
Cullman .....	205 4 <sup>th</sup> Avenue, NE, Suite 103 • Cullman 35055 .....	256-734-6471
	<i>Blount, Cullman, Jefferson, Marion, Walker, Winston</i>	
Bay Minette .....	207 Faulkner Drive, Suite 119 • Bay Minette 36507 .....	251-937-3297
	<i>Baldwin, Clarke, Conecuh, Escambia, Mobile, Monroe, Washington</i>	
Camden .....	Three Camden By Pass • Camden 36726 .....	334-682-4116
	<i>Autauga, Butler, Chilton, Choctaw, Dallas, Lowndes, Marengo, Perry, Wilcox</i>	

For additional information, visit our website:

[www.rurdev.usda.gov/al](http://www.rurdev.usda.gov/al)



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## USDA Rural Development *Program Fact Sheet*

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