



United States Department of Agriculture  
Rural Development

## **RURAL DEVELOPMENT**

# **COMMUNITY FACILITY LOANS**

USDA Rural Development has authority to guarantee or make direct loans to public bodies and not for profit corporations in rural areas to construct, enlarge or otherwise improve essential community facility projects which serve the public. Related costs such as land, architectural, legal, environmental analyses, interest during construction and certain other costs are eligible as well. Applicants for direct loans must be unable to get credit elsewhere at reasonable rates and terms. Projects in rural areas and communities of not more than 20,000 population are eligible. The loan repayment period shall not exceed 40 years or the useful life of the facility. Health care facilities, group homes, assisted living projects, rehab and counseling centers, fire and rescue buildings and vehicles, child and adult care centers and many others types of projects are eligible. Recreation projects are eligible for the guaranteed loan program only.

Eligible applicants for direct loans pay the lower of the interest rate in effect at the time of loan approval or the time of loan closing.

### **INTEREST RATES FOR APRIL 1, 2009 TO JUNE 30, 2009 ARE:**

- **MARKET RATE of 4.625% if the median household income of the service area equals or exceeds the current State of Illinois non-metropolitan median household income of \$48,821.**
- **INTERMEDIATE RATE of 4.50% if the non-metropolitan median household income of the service area is below \$48,821 and the applicant does not qualify for the poverty rate.**
- **POVERTY RATE of 4.500% if the median household income of the service area is below \$39,056 and the project is a health care or related facility that provides direct health care to the public.**

Guaranteed loans are available to entities desiring to borrow from and make payments to their local lender. Interest rates are negotiated between the borrower and lender and may be fixed or variable. Guarantees cannot be issued on tax exempt debt. **Funds for loan guarantees are virtually unlimited. This program is ideally suited for large projects.**

A limited amount of grant funds are available to assist eligible applicants develop projects which are otherwise unaffordable. Projects in small, rural communities with low income levels receive the highest priority for funding. Generally grants are made in conjunction with loans. Grants for 100% of the project cost are not available.

Income data, other information and guidance on completion of an initial application can be obtained from the USDA Rural Development Area Offices in Ottawa, Princeton, Oregon, Galesburg, Jacksonville, Quincy, Champaign, Effingham, Pontiac, Mt. Vernon, Marion, Edwardsville or the State Office (telephone 217-403-6200).

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