

Proudly serving 26
Northern Illinois counties

IN THIS ISSUE:

- Improved Fire Protection in Kankakee County
- Guaranteed Business & Industry Loan Program
- Director's Corner
- New Farm Bill Helps Area Water Systems
- Program Spotlight
- FAQs
- Area I Employees Recognized

AREA I



CONTACT US!

At Rural Development, we are committed to serving rural communities!

Oregon Service Center
(815) 732-6127 ext. 4

Ottawa Service Center*
(815) 433-0551 ext. 4

*Bourbonnais Workstation
(815) 937-8940 ext. 5

Princeton Service Center
(815) 875-8732 ext. 5



VOLUME 1, ISSUE 1

Rural Development Quarterly News

JULY - SEPTEMBER 2008

Improved Fire Protection in Kankakee County

Illinois Rural Development Director Doug Wilson presented a check for \$20,460 to Board President Frank Hasik of the Kankakee Township Fire Protection District. The funds will be used to help pay for a new fire truck and special protective gear for the district's firefighters. The truck is especially equipped to handle field and brush fires.

The department serves residential and agricultural areas in 18 square miles that surround Kankakee. The department's 26 volunteer firefighters have been trained to fight brush fires, but until now have not had the equipment to fight them effectively and safely.

Fighting field fires with equipment designed to handle structural fires can be dangerous and cumbersome for firefighters. Previously the department has had to place an engine designed to fight structural fires on a road near the fire and drag heavy hose lines or water extinguishers to the site. Walking long distances into fields in heavy gear used to fight



Pictured left to right in front of Kankakee Township Fire Protection District's new brush truck: Rural Development Area Specialist Chris Moore, Steve Spraker and Frank Hasik from the Kankakee Township Fire Protection District and Illinois Rural Development Director Doug Wilson.

structural fires is likely to cause fatigue and lead to heat exhaustion.

The Kankakee Township FPD qualified for a Rural Development grant to cover 35 percent of the cost of the vehicle and gear. Rural Development, a part of the U.S. Department of Agriculture, offers low interest loans and grants for community, business, housing and infrastructure needs in rural areas. The rest of the cost for the truck was provided by a

(continued on page 2)

A Guarantee to Help Businesses Save or Create Jobs



USDA Rural Development offers Business and Industry (B&I) Loan Guarantees to help local lenders provide credit needed for expansion and preservation of jobs in their rural communities. By

working together to help businesses, lenders and Rural Development can influence stability and growth in rural areas.

Loan guarantees provide lenders with another tool to expand their loan portfolio, increase earnings through participation in the secondary

market and allows them to make loans above their legal lending limits. The lenders can then, in turn, offer businesses higher loan amounts, lower interest rates and longer repayment terms. Businesses in areas with up to 50,000 people may be eligible for guarantees of up to 80 percent.

Area businesses can utilize this program for acquisitions, construction, conversion, expansion, repair, modernization and for development costs. They can purchase equipment, machinery and supplies and use the funds for start-up costs, working capital and certain types of debt refinancing. Illinois'

(continued on page 2)



USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).



Herman Wisslead
Area I Director

Director's Corner

Welcome to the first Area I Rural Development Quarterly Newsletter. It is my hope that this and future newsletters will serve as a way to keep Northern Illinois informed about Rural Development's programs, funding notices and developments in Area I.

This past year was a remarkable one for Area I for all programs with over \$88 million invested in Northern Illinois. More than 1,000 households received funding through the single family housing programs. Nearly \$5.6 million was invested in water and sewer projects for Northern Illinois. In the Community Facilities program, nearly \$370,000 was used for several projects including a fire station expansion and a fire brush truck. In Business Programs, over \$1.6 million helped to fund a business

expansion, a business incubator and several energy projects.

If there is a community, business or individual that could benefit from Rural Development's many programs, Area I offices are conveniently located throughout Northern Illinois to help applicants determine what resources are available to them. Please feel free to contact the Oregon, Ottawa, Bourbonnais or Princeton offices for more information on the programs highlighted in each newsletter.

With fiscal year 2008 behind us, the employees of Area I would like to extend a 'Thank You' to everyone we have worked with who helped us succeed in serving the needs of rural Illinois. We look forward to another outstanding year as fiscal year 2009 begins. ▀

"Rural Development is a valuable source of federal assistance to first responders."

- Doug Wilson, Illinois

Rural Development
Director

Kankakee County (continued from page 1)

Homeland Security grant, funds raised by the Firefighters Association and the district.

"Rural Development is a valuable source of federal assistance to first responders," said Wilson. "Getting these resources to local fire departments ensures they have the right equipment to ensure their safety and the well-being of the people and property they protect."

"This new truck will pay dividends in the future by providing the public with better fire protection and our firefighters with a safer work environment," said Fire Chief Patrick Holohan.

Rural Development, through its community facilities program, provides funding for the Rural Emergency Responders Initiative to specifically strengthen the ability of rural communities to respond to local emergencies. The Community Facilities program funds are used to support rural emergency responder efforts by financing needed equipment and services. If you have any questions regarding the Rural Emergency Responders Initiative or other Community Facilities Programs, contact your area Illinois Rural Development Office: <http://www.rurdev.usda.gov/il/ao-list.htm>. ▀

Guaranteed Business & Industry Loans (continued from page 1)

Business Program Director Ron Firkins expects processing of loan packages to continue without interruption into the fiscal year. "In the last four fiscal years, Rural Development has had all the B&I money we needed to continually fund projects," said Firkins. "I anticipate that by mid-November in the new fiscal year, we will have plenty of funds available as well."

Rural Development has funded a number of business projects in Area I recently, including Paws Here Pet Resort in Oglesby (pictured at right) as well as MTC Voyager located in Ottawa that manufactures and sells temporary motorcycle conversion kits.



Oglesby – Paws Here Pet Resort is a world class kennel with all the amenities any pet-lover could hope for. Fred Konrad and Diane Baker used a loan guarantee to fashion the perfect place for visitors to board their pets with all the luxuries of home in a booming vacation area.

For more information on the B&I Guaranteed Loan Program, contact any Area I Rural Development office. ▀



New Farm Bill Helps Area Water Systems

Illinois Director for USDA Rural Development Doug Wilson announced the investment of \$7.4 million in loans and grants for five Illinois water systems to provide safe drinking water. Low interest loans and grants were awarded to Greene County Rural Water District, Apple Creek Water Cooperative, the **City of Wyoming**, Bond Madison Water Company, and Clinton County East Public Water District.

The funding for the Illinois projects was part of the 2008 Farm Bill, also known as the Food, Conservation and Energy Act of 2008 and was authorized to address the backlog of requests for rural water funding. The legislation provided \$357 million to communities nationwide for low interest loans and grants for water and wastewater application the agency had on hand.

“We are very happy about the recent legislation because it speeds up access to funds for these projects,” said Wilson. “Getting the funding to them more quickly will have a significant impact on their construction costs.” The \$7.4 million investment in rural Illinois water infrastructure will help build 160

miles of water line and bring better water to 2600 households and business.

The Farm Bill legislation also lowered the interest rate for rural water and sewer system construction and improvements. Depending on the household income of the area, interest rates can be as low as 2.75 percent. The low interest rate combined with a 40 year term makes the cost for rural systems manageable.

The **City of Wyoming** was approved for a \$400,000 grant to complete improvements to its water system. Over the past two years, Wyoming has been awarded Rural Development financing totaling \$4.66 million to replace the existing water storage and distribution system. The storage units and water lines have been well maintained, but have reached the end of their expected usefulness. The new water mains, elevated storage tank and ground storage tank will ensure the community has a good water supply as well as the pressure needed for adequate fire protection.

“Safe and reliable water services are vital to the health and economic viability of rural communities,” Wilson said. “Without our assistance, many rural water systems would face the untenable option of charging their users rates they couldn’t afford.”

“Getting the funding to them more quickly will have a significant impact on their construction costs.” - Doug Wilson, Illinois Rural Development Director

Program Spotlight

Home Repair Loans and Grants

HOME REPAIR LOANS

Purpose: To provide loans to eligible rural homeowners to improve or modernize their homes, to make them safer and more sanitary or to remove health and safety hazards.

Applicant: Must be very low income per guidelines, own and occupy the home and demonstrate the ability to make loan payments.

Eligible Area: Areas with population of 20,000 or less. For eligible areas, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Residents: U.S. Citizens and permanent resident alien.

Financing Features:

Maximum loan amount is \$20,000.

Interest rate is fixed at 1%.

Maximum term is 20 years.

May be used for new roof, siding, windows, foundation repairs, new septic system, new furnace/AC. Other qualifying repairs include removing health hazards from the home as well as cosmetic improvements if they are needed.



...

HOME REPAIR GRANTS

Purpose: To provide grants to eligible rural homeowners to improve or modernize their homes, to make them safer and more sanitary or to remove health and safety hazards.

Applicant: Must be 62 years of age or older, be very low income per guidelines, own and occupy the home and demonstrate an INABILITY to make loan payments.

Eligible Area: Areas with population of 20,000 or less. For eligible areas, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Residents: U.S. Citizens and permanent resident alien.

Financing Features:

\$7,500 lifetime limit on grant funds.

Agree to not sell property for 3 years following the grant, otherwise the grant must be repaid.

May be used for new roof, siding, windows, foundation repairs, new septic system, new furnace/AC. Other qualifying repairs include removing health hazards from the home as well as cosmetic improvements if they are needed.

...

Frequently Asked Questions



Q: Can Rural Development make loans for golf courses?

A: No. On May 16, 2008, Rural Development National Office ruled that it was not considered an essential community facility. RD Instruction 3575-A says an essential community facility must: (1) be a function customarily provided by a local government; (2) be a public improvement needed for the orderly development of a rural community; (3) not include private affairs or commercial or business undertakings (except for limited authority for industrial parks); (4) be within the area of jurisdiction or operation for public bodies eligible to receive assistance or similar local rural service area of a not-for-profit corporation; and (5) be located in a rural area.

Q: What is a NOFA and how does it work?

A: A NOFA or Notice of Funding Availability provides necessary information to potential applicants about

Rural Development funding available through national competition. The notice is published in the Federal Register to announce the rules and guidelines for applying. An in-state contact is usually provided. Information in the NOFA includes the program's purpose, eligibility requirements, application deadlines (typically 60 to 90 days from the date of publication), award amounts and selection criteria. The success of the application often depends on the applicant specifically addressing each of the selection criteria. ▪

For more on Rural Development's programs, visit us on the web!
<http://www.rurdev.usda.gov/il>

Area 1 Employees Recognized



Oregon staff with their Office of the Year plaque. Pictured left to right: Sacha Pruett, Area Technician, Lorali Heintzelman, Area Specialist and Kim Brunner, Area Assistant.

The Oregon office was recently recognized as **Office of the Year**. Oregon will far exceed fiscal year 2007 single family housing (SFH) loan numbers this year. The office's default and foreclosure rates are among the lowest in the state. Guaranteed rural housing (GRH) applications have flowed through the loan closing pipeline very quickly thanks to the excellent service by the Oregon staff. Oregon has also processed their first B&I guarantee this fiscal year.

Minority homeownership numbers has been a key to Oregon's success this year with nearly seven percent of their Guaranteed SFH loans assisting minority families purchase their own home. In a year surrounded by news of a struggling mortgage industry, the work by the Oregon office has really served their area well.

Outreach events have also been very successful in Oregon this year including the announcement of Freeport's eligibility for housing programs and follow up training with lenders and real estate agents. Congratulations for a job well done! ▪

Years of Service



Anthony Humble
Ottawa Office
~30 years of service~



Shari Pease
Princeton Office
~10 years of service~



Sarah Borchelt
Ottawa Office
~5 years of service~

September 15 - October 15
 Mes de la Herencia
 National **Hispanic**
 Heritage Month

<http://www.loc.gov/topics/hispanicheritage/>

A special thanks to: Sarah Borchelt, Ron Firkins, Lorali Heintzelman, Joan Messina, Chris Moore, Shari Pease, Barry Ramsey and Herman Wisslead.