



Committed to the future of rural communities.

USDA RURAL DEVELOPMENT EFFINGHAM AREA OFFICE

Serving the counties of Clark, Coles, Crawford, Cumberland, Effingham, Fayette, Jasper, Montgomery, Moultrie and Shelby

SPRING 2009



Update on Guaranteed Housing Funds

Congress recently passed legislation providing funding for guaranteed housing through our fiscal year 2009 budget appropriation and the American Recovery and Reinvestment Act. Guaranteed funding is now available for purchase loans and purchase repair loans for repairs less than \$2,000. Stay tuned! As the additional funding is made available to the states, we will update you on the availability of funds for home refinancing, construction and repairs over \$2,000.



Representatives from First Robynson Savings Bank (FRSB) received a plaque for surpassing the million dollar mark in home loans made with Rural Development guarantees. From left to right are Rural Development Specialist Ron Zwilling, FRSB Loan Officer Ramona Knoblett, and FRSB Assistant Vice President Mark Hill.

The change in our economy and sub-prime lending over the past year has dramatically altered the financing options for customers interested in purchasing a home. The Guarantee

program has soared to new heights as customers can continue to finance up to 100% of the appraised value
Continued on page 2

Direct Loans Help Lower Income Homebuyers

Rural Development can make home loans directly to homebuyers who don't qualify for the Guaranteed Home Loan Program. Real estate professionals can help clients buy the home they want with a direct loan from Rural Development. Lenders unable to help customers who don't meet their home loan requirements can refer them to a Rural Development office.

median income are eligible to apply.

The Direct 502 Loan Program provides eligible homebuyers with affordable financing to buy modest, decent, safe and sanitary homes. Homebuyers with incomes that do not exceed 80% of the county's

Applicants can get 100% financing to purchase an existing home, purchase a site and construct a dwelling, or purchase newly constructed dwellings located in rural areas. The loans have competitive fixed rates for 33 to 38 years. As of April 1, the interest rate is 4.625 percent. Maximum purchase price limits are generous and vary by county. Direct loan borrowers take a pre-purchase home education class and have mortgage payments based on the household's adjusted income.

In this issue...

Page 1 Guaranteed Housing
Direct Housing
Farm Labor Housing

Page 2 Water Presentation
Water & Waste Rates
Community Facility Rates

Page 3 Director's Corner
Business Grants

Page 4 Frequently Asked Questions
Meet the Staff
Spring Recipe

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EXTS. 4 & 5



At a check presentation for EJ Water were (l to r) Ill. Rep. David Reis, Cong. John Shimkus, EJ Board President Diane Aherin, EJ Board Chairman Delbert Mundt, EJ General Manager Bill Teichmiller, EJ Board Member Chris Hartke, Former Rural Development State Director Doug Wilson, and EJ Board Member P.B. Finley.

EJ Water Cooperative Gets Check

A check in the amount of \$2,220,800 was presented to the Board of EJ Water Cooperative, Inc. to help with the construction of several upcoming phases.

These funds will be combined with grants from the Community Development Block Grant program and member contributions to extend water mains to more than 190 households in Fox and Ste. Marie townships in Jasper County and Denver and Preston townships in Richland County. In addition, an estimated 51 cooperative members in Clay and Jasper counties will see existing lines extended to their homes.

Rural Development's Water and Waste Disposal loans and grants are available to eligible applicants to construct or improve drinking water, sanitary sewer, solid waste disposal, and storm drainage facilities.

Public bodies and nonprofit organizations serving areas with populations of 10,000 or less are eligible to apply for funding.

Other credit must be unavailable at terms that would result in reasonable user rates. Grant funds cannot exceed 75% of a project's cost. In all cases, grant funds are limited to the amount necessary to maintain reasonable user rates. For questions about this program, feel free to contact us at (217) 347-7107 x 5.

Help for the Hired Hand

Did you know Rural Development helps farmers and their employees too? The Farm Labor Housing program is designed for farmers who would like to provide a home for their hired hands. Housing is a real need for many hired hands and can be a real incentive to finding quality help.

A project can be a single family home near the farm up or a multiple-unit apartment complex.

Highlights of the program include:

- Cheap Money: Fixed **one percent rate** for up to 33 years
- No waiting: Plenty of money available
- Who's a Farmer: Includes aquaculture and orchards, in addition to traditional Ag operations.

If you know a farmer who may be interested, please have them contact Dan Jansen today!

Guaranteed Funding

Continued from page 1

with NO monthly A one time 2% guarantee fee can be rolled into the loan above the appraised value, essentially allowing up to 102% LTV.

The Guarantee program continues to be the best option for customers who qualify! The GRH program has made great strides by streamlining the process including our Guaranteed Underwriting System (GUS), upcoming two-tiered income limit structure, and accepting files via mail, e-mail or fax.

Rural Development will have more money available for guaranteed home loans than ever before. Now is the time to help homebuyers take advantage of affordable home financing.

Interest Rates

Water and Waste Disposal and Community Facilities Loans

The new interest rates in effect from April 1, 2009 through June 30, 2009 for water and waste disposal loans approved on or before May 22, 2008 are:

Poverty Line	Unchanged at	4.500%
Intermediate	Decreased to	4.500%
Market	Decreased to	4.625%

The interest rate for Community Facilities loans approved from April 1 through June 30, 2009 are:

Poverty Line	Decreased to	4.625%
Intermediate	Decreased to	4.50%
Market	Unchanged at	4.50%

From the Director..

USDA Rural Development continues to be one of the best resources available to support the needs of rural Illinois. In fiscal year 2008 the agency financed nearly \$20.8 billion nationwide to assist the residents of rural America. In Illinois, Rural Development provided \$478 million in loans and guarantees to provide essential community facility projects, help rural residents purchase homes, and assist rural businesses with expansions and operating funds.

The 2009 fiscal year has begun. Funds are available and applications are being sought for single family housing purchase and repairs, water and waste programs, community facility direct and guaranteed loans and guaranteed business loans. We also have grant money

available for some projects.

I urge you to consider one our six guaranteed loan programs. A government guarantee is a good way for lenders to minimize their risk and for customers to obtain better rates and terms on their loans. We guarantee loans for homes, businesses, renewable energy, community facilities, water and sewer systems and multi-family housing.

Our office staff looks forward to assisting you with your requests and questions. Please contact our office at the contact numbers provided on page one.



*Susan Petrea
Area 2 Director*

Program Spotlight Rural Business Enterprise Grants (RBEG)

Purpose: The USDA Rural Development makes grants to public bodies and private nonprofit corporations to finance and facilitate development of private business enterprises. Eligible entities receive the grant to assist businesses; the grant does not go directly to a business.

Applicant: Public bodies and private nonprofit corporations serving rural areas are eligible to apply.

Eligible Area: All areas outside cities having a population of 50,000 or more and the immediately adjacent urbanized areas are eligible. For eligible areas, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Financing Features:

Grant funds may be used to develop small or emerging private business enterprises in rural areas including:

- acquisition and development of land, easements and rights-of-way construction, enlargement, repair or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities reasonable fees and charges for professional services necessary for the planning and development of the project
- providing financial assistance to small businesses through a revolving loan fund
- technical assistance for proposed grantee projects

For purposes of this program, a small business is one that will employ 50 or fewer new employees and has less than \$1 million in projected gross revenue. Manufacturing and merchandising businesses may deduct cost of goods sold to determine “gross revenue.”

Usually less than \$600,000 is available each year for RBEGs in Illinois, so grant applications are very competitive. Smaller grant requests have better chances of being funded, and requests for \$99,000 or less receive priority points.

FREQUENTLY ASKED QUESTIONS:

Q: Is a non-profit organization an eligible applicant for Rural Development's Business and Industry Guaranteed Loan program?

A: Yes. Eligible borrowers can be private or public entities that are organized and operated on a profit or non-profit basis. They include individuals, corporations, cooperatives, partnerships and other legal entities. Applicants can use the funds for most legal business purposes including acquisitions, construction, conversion, expansion, repair, modernization, development cost and start up costs, working capital and refinancing. Funds cannot be used for production agriculture.

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.



Contact the staff at the Effingham with any of your questions. We're ready to help. You can reach us by email or by calling the office at (217) 347-7107 extension 4 or 5.



*Seated left to right, Rick Koester, Steve Bohnhoff and Kevin Mellendorf.
Standing left to right: Bev Gorrell, Chris Wolfe, Dan Jansen, Ron Zwillling, Phyllis Reardon and Bev Bower.*

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RECIPE FOR SPRING

Courtesy of Chris Wolfe

CURLY MACARONI SALAD

1 pound curly macaroni
3 carrots shredded
1 large green pepper chopped fine
1 small onion chopped fine
1 can Eagle Brand milk
3/4 cup vinegar

1 pint of Mayonnaise
1 cup sugar

Cook macaroni and let cool.
Combine the milk, vinegar, sugar and mayonnaise in a bowl.
After macaroni has cooled, pour in liquid mixture. Add vegetables and toss. Chill. Best if made night before.



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