Greetings From State Director Banks:

USDA Rural Development is pleased to present this Program Information Guide, covering the Agency's community and economic development programs. We hope you find this information helpful.

During Fiscal Year 2005, USDA Rural Development in Kansas administered an all-time record of nearly $235 million in financial assistance to our State. This impressive 98% funding increase compared to 2003 represents the fifth consecutive year of + $100 million Agency programming for Kansas. In addition to the outstanding delivery of financial support to the Sunflower State, USDA Rural Development staff logged thousands of hours providing technical assistance to help applicants and stakeholders to more effectively access these critically needed programs. These valuable taxpayer-supported programs were administered for hundreds of projects that positively affect the daily lives and pocketbooks of rural Kansans, and which also provide significant benefits for the entire State.

Rural communities require strong coalitions and strategic partnerships to prosper. Rural residents need affordable homes and essential community facilities. Rural workers need good jobs and rural businesses need economic stimulus to compete and expand. Rural Kansans need dependable water and utility services, along with improved infrastructure support to enjoy an improved quality of life.

USDA Rural Development has proudly served rural America for 70 years, fulfilling our important mission of "to improve the quality of life for and enhance economic opportunities of rural Americans". USDA Rural Development greatly appreciates the continued support of the Kansas Congressional Delegation, allowing the Agency to touch the lives of thousands of Kansans each and every day.

USDA Rural Development looks forward to the future and the many opportunities that are available to rural Kansas. I promise that our Agency will continue to aggressively commit our resources to serve Kansas and its rural citizens. To learn more about the Agency's programs, I invite you to visit our USDA Rural Development website at http://www.rurdev.usda.gov/ks/

Chuck

CHUCK BANKS
STATE DIRECTOR

George W. Bush
President of the United States

"We'll press on to turn our recovery into lasting growth and opportunity that reaches every corner of America. By the courage and by the enterprise of the American people, this great nation will prosper."

Thomas C. Dorr
Under Secretary for Rural Development

"Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, homeownership has increased and families and businesses have been strengthened"

USDA Rural Development Fiscal Year 2005 / Kansas

Rural Housing Programs

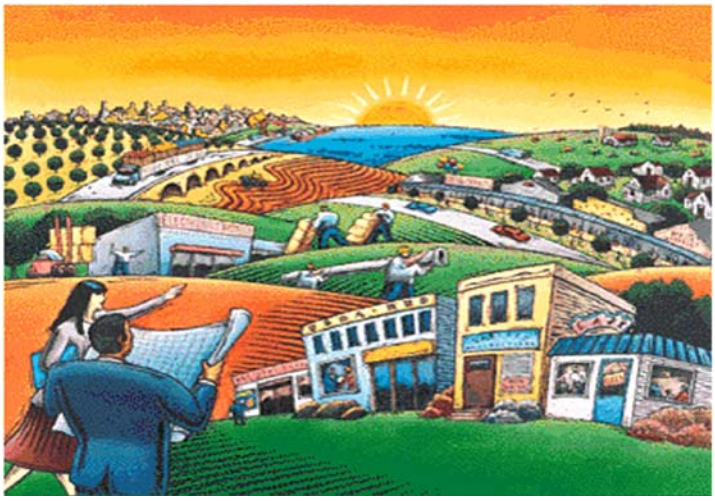
Single Family Guaranteed Loans	$40,239,988	586
Single Family Direct Loans	$17,680,084	256
Single Family Repair Loans and Grants	$714,855	144
Housing Preservation Grants	$120,000	3
Self-Help Housing Grants (for 44 homes)	$634,000	3
Total Single Family Housing	$59,388,927	992 Loans/Grants
Multi-Family Rental Housing Loans	$3,448,204	6
Rental Assistance (3881 units in 388 projects):		
Usage	$9,079,498	
Obligations:		
Renewal (485 units)	$5,193,720	
Total Multi-Family Housing	$17,721,422	
Total Rural Housing Programs	**$77,110,349**	**998 Loans/Grants**

Business and Community Programs

Water and Waste Disposal Direct Loans	$13,252,700	19 Projects
Water and Waste Disposal Grants	$5,998,640	
Water and Waste Disposal Guaranteed Loans	$1,169,200	3 Projects
Solid Waste Management	$134,500	2 Projects
Emergency Community Water Assistance Grants	$414,000	1 Project
Electric and Telephone Loans	$116,169,100	8 Projects
Total Rural Utility	$137,138,140	33 Projects
Business & Industry Guaranteed Loans	$13,003,289	5 Projects
Rural Business Enterprise Grants	$250,000	4 Projects
Rural Economic Development Loans & Grants	$3,214,000	9 Projects
Renewable Energy/Energy Efficiency Grants	$14,673	2 Projects
Total Rural Business & Cooperative	$16,481,962	20 Projects
Community Facilities Loans	$4,088,500	
Community Facilities Grants	$176,000	
Total Community Facilities	$4,264,500	7 Projects
Total Business and Community Programs	**$157,884,602**	**60 Projects**

Total Kansas Rural Development $234,994,951

Business & Community Programs



Business & Industry Guaranteed Loan Program

Purpose – The Business & Industry Guaranteed Loan Program guarantees loans made by eligible lenders to businesses to benefit rural areas. Program eligibility includes, but is not limited to: business acquisitions, construction, conversion, expansion, repair, modernization, development costs, purchase of equipment, startup working capital, and refinancing for viable projects under certain conditions.

Eligible Area – Rural areas with population up to 50,000.

Eligible Entities – Any legal entity, including individuals, public and private organizations and federally recognized Indian tribal groups. There is no size restriction on the business.

Type of Assistance – Loan guarantees.

Term – Maximum of: 30 years for real estate loans
15 years for machinery and equipment loans
7 years for working capital loans

Interest Rate – Negotiate between Lender and Borrower.

Type of Projects – Agricultural processing, manufacturing (light and heavy), retail and wholesale businesses, health care facilities, motels, value-added agriculture, etc.

What can the Program do for your Community?

- Creates and saves jobs (over 240 jobs created or saved from Fiscal Year 2005 projects)
- Expands economic base through new businesses and business expansions
- Creates expanded future community economic opportunity
- Expands local commercial bank lending base

Loan Examples:

B&I Guaranteed Loan for an agricultural equipment manufacturer located in northeast Kansas

B&I Guaranteed Loan of $2 million for a new cotton gin serving southwest Kansas producers

Community Facilities Program

Purpose – Construction and rehabilitation of buildings, acquisition of land, purchase of equipment, payment of legal fees, payment of architect fees, etc.

Eligible Area – Rural areas with population up to 20,000.

Eligible Entities – Nonprofit entities, federally recognized Indian Tribes, public bodies (cities, counties, etc.), and faith-base / community organizations

Essential Community Facilities – Public improvements necessary and beneficial to the orderly development of a community facility operated on a nonprofit basis.

Type of Assistance – Direct loans, grants, and guaranteed loans. Program can be used in conjunction with other funding sources.

Term – Maximum of 40 years.

Type of Projects – See Next Page.

What can the Program do for your Community?

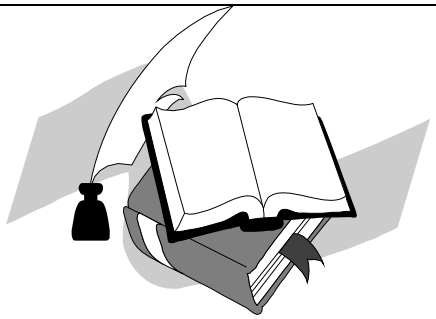
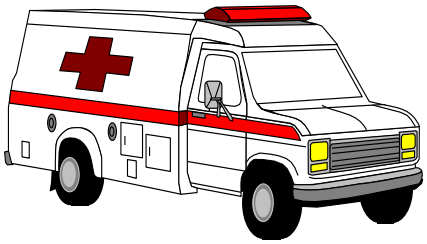
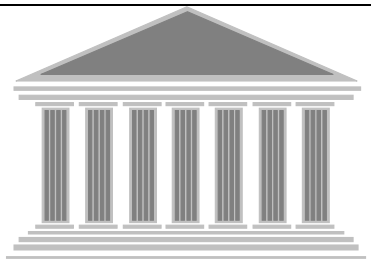
- Provides funding to build or repair essential community facilities
- Provides and/or improves health care, public service and safety facilities
- Purchase needed machinery, equipment, and furnishings of facility
- Construct or rehab cultural and educational facilities

Project Examples:

USDA Rural Development funding assisted unincorporated Franklin, Kansas with this community center after a tornado destroyed the previous facility.

Community Facility Direct Loan & Grant Program funds were used to remodel and equip a building to operate as a full service child care/child development center and as a training center; providing parent training, employment related training, and life skills training.

Examples of Essential Community Facilities

Community Health Care Dental Clinic Nursing Home Assisted Living Facility Physicians Clinic Hospital (General & Surgical) Medical Rehabilitation Center Outpatient Clinic	
Cultural & Educational Library Museum Public School School Maintenance & Equipment Service Center Vocational School Colleges Educational Camp for the Handicapped	
Fire, Rescue & Public Safety Fire Trucks Detention facilities and Jails Fire/Rescue Building Police Station Rescue & Ambulance Service Building Equipment Building Communication Center Storm Sirens	
Public Buildings & Improvements Community Health Department, Office Building Community Center, County Courthouse Food Storage, Distribution &/or Preparation Center Public Maintenance Building Child Day Care Center City Hall	
Transportation Bridge Airport Sidewalks Street Improvements Infrastructure for Industrial Park Town Bus Service/Equipment Special Transportation Equipment	

Rural Business Enterprise Grant Program

Purpose – Acquisition and development of land, construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extension, refinancing, and fees for professional services.

Eligible Area – Rural areas with population up to 50,000.

Eligible Entities – Nonprofit corporations, federally recognized Indian Tribes, and public bodies (cities, counties, etc.) receive the grant to assist a business. Grant funds do not go directly to the business. Small and emerging businesses to be assisted must have less than 50 new employees and less than $1 million in gross annual revenues.

Priorities – To support the development of small and emerging private business enterprises in rural areas.

Type of Assistance / Application Deadline – Contact USDA Rural Development for specific funding assistance and application deadline information.

What can the Program do for your Community?

- Creates a revolving loan fund (providing partial funding as a loan to a small and emerging business for the purchase of equipment, working capital, or real estate)
- Provides technical assistance for private business enterprises and related training
- Construct a building for a business incubator for small and emerging businesses
- Production of television programs targeted for rural residents, and for rural distance learning networks

Project Examples:

Program funds helped establish this car maintenance business in northwest Kansas

Industrial park in central Kansas includes a plastic molding business and a polypropylene pellet manufacturing facility

Rural Business Opportunity Grant Program

Purpose – Provide technical assistance for business development and conduct economic development planning in rural areas. Promote sustainable economic development in rural communities.

Eligible Area – Rural areas with population up to 50,000.

Eligible Entities – Nonprofit corporations, public bodies, Indian tribes on Federal or State reservations and other Federally recognized tribal groups, and cooperatives with members that are primarily rural residents.

Type of Assistance – Grants.

What can the Program do for your Community?

- Identify and analyze business opportunities that will use local rural materials or human resources
- Identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers
- Establish business support centers and otherwise assist in the creation of new rural businesses
- Establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets
- Conduct local community or multi-community economic development planning.
- Establish leadership development training of existing or prospective rural entrepreneurs and managers

Example:

USDA Rural Development staff discuss the Rural Business Opportunity Grant Program with a local individual during one of the Agency's numerous outreach meetings.

Rural Economic Development Loan & Grant Program

Purpose – Loans to eligible utilities to make a pass-thru loan to a rural business. Grants to establish revolving loan funds to initially make loans to eligible rural projects.

Eligible Area – Rural areas with population up to 2,500.

Eligible Entities – Electric and Telephone Rural Utility Service Borrowers (also includes some previous Rural Utility Service electric utility borrowers).

Eligible Ultimate Loan Recipients – Any legal entity, including individuals, public bodies, and federally recognized Indian Tribes.

Term – Maximum of 10 years.

Type of Projects – Agricultural processing, fire trucks, health care facilities, grocery stores, hotels, manufacturing, retail enterprises, implement dealers, recreation facilities, etc.

What can the Program do for your Community?

- Helps create jobs (486 jobs saved or created from Fiscal Year 2005 projects)
- Provides businesses and communities with 0% interest loans
- Provides funding for community type facilities and equipment
- Facilitates new business and business expansions (construction, and machinery & equipment)
- Provides funding for public safety facilities and equipment (fire, rescue, etc.)

Project Examples:

RED-Loan Program funds assisted a Seneca-based electrical business to purchase a new building and additional equipment to expand the company's current operations. This Agency financed expansion will add 5 new jobs and help retain the existing 4 jobs for this company

Agency funding assisted in the restoration and renovation of a historic landmark hotel in central Kansas. This RED-Loan helped create 11 new jobs for this rural community.

Water & Waste Disposal Program

Purpose – Develop and/or upgrade rural water distribution and wastewater facilities. Construct or relocate public buildings and utilities, pay costs associated with land acquisition, purchase and install necessary equipment, pay for engineering and legal fees associated with the project, etc.

Eligible Area – Rural areas with population up to 10,000.

Eligible Entities – Nonprofit entities, federally recognized Indian Tribes, public bodies (cities, counties, etc.), and special-purpose districts.

Priorities – Restore deteriorated water supplies, improve, enlarge, or modify a water facility or an inadequate wastewater facility.

Type of Assistance – Direct loans, grants, and guaranteed loans. Program can be used in conjunction with other funding sources.

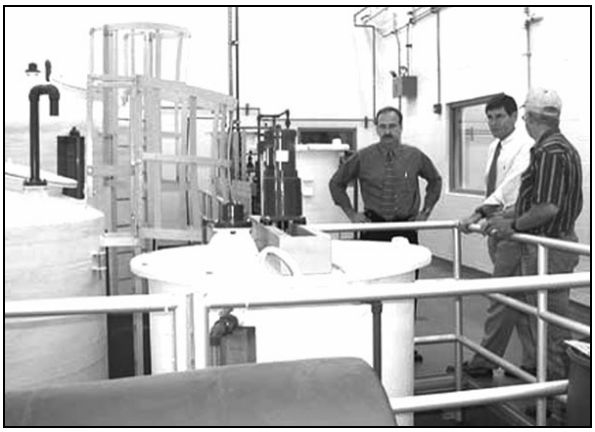
Term – Life of facility, not to exceed 40 years.

What can the Program do for your Community?

- Provides funding to construct, enlarge, or otherwise improve rural water, solid waste disposal, sanitary sewage, and storm wastewater disposal facilities
- Grant funds are used, in conjunction with loan funds, to reduce water and waste disposal costs to a reasonable level for users of the system
- Provides for payment of utility connection charges as provided in service contracts between utility systems

Project Examples:

This local rural water district utilized a Water & Waste Disposal loan and grant to construct a water treatment plant and install 9 miles of transmission line. The District currently serves a population of over 2,700 rural Kansans.



Public Wholesale Water Supply District #18, Jackson County constructed a two million gallon membrane filtration treatment plant to provide a safe and reliable water source for the City of Holton and rural residents living in a five-county region.

Renewable Energy & Energy Efficiency Program

Purpose – The Program is designed to help agricultural producers and rural small businesses purchase renewable energy systems or make energy efficiency improvements. Funds may be used for construction improvements, equipment purchases, professional fees, feasibility studies, energy audits, and permits for the project.

Eligible Projects – Renewable energy projects include those for which energy is derived from wind, solar, biomass, geothermal, or certain hydrogen derived from biomass or water using one of the previously stated energy sources. Energy Efficiency projects are improvements to a facility or process that reduces energy consumption. All eligible projects must utilize a pre-commercial or commercially available, replicable and feasible technology.

Eligible Area – Rural areas with population up to 50,000.

Eligible Entities – Farmers, ranchers, and rural small businesses with a demonstrated financial need are eligible to apply for funding. Farmers and ranchers must obtain at least 50% of their gross income from their agriculture operations. Rural businesses must meet the Small Business Administration definition of a small business. The project site and business headquarters must be in a rural area. Nonprofit organizations and public entities are excluded.

Type of Assistance / Application Deadline – Contact USDA Rural Development for specific funding assistance and application deadline information.

What can the Program do for your Community?

- Creates new economic opportunity and jobs
- Opportunity to reduce energy costs of local businesses

Project Examples:

Steve & Monica Mackison, owners of a northeast Kansas grocery store, utilized this program to replace inefficient refrigeration units

New energy efficient refrigeration units following installation.

Value-Added Producer Grants Program (VAPG)

Purpose – The Program is designed to help agricultural producers increase their revenues through value-added activities that expand the customer base for their products. Funds may be used for planning activities (feasibility studies, business and marketing plans, and legal evaluations) or working capital for projects which add value to an eligible product.

Eligible Area – Anywhere in Kansas, there is no restriction on the location of the project.

Eligible Entities – Independent agricultural producers, agricultural producer groups, farmer or rancher cooperatives, or business ventures that are majority owned and controlled by agricultural producers.

Eligible Value-Added Products – Agricultural products that: have undergone a change in physical state or form, are produced in a manner that enhances their value, and are physically segregated in a manner that enhances their value, or used to produce renewable energy.

Type of Assistance / Application Deadline – Grants for up to 50% of eligible project costs. Contact USDA Rural Development for application deadline information.

Type of Projects – Processing grains or oilseeds; utilizing grain to produce ethanol; processing livestock or poultry; marketing organically produced or hormone free products; an identity preserved marketing system from farm to end user; and many other possibilities.

What can the Program do for your Community?

- Creates new economic opportunity and jobs
- Expands economic base through a new business or business expansion

Project Examples:

USDA Rural Development Value-Added Producer Grant Program assisted Rainbow Organic Farms with a $144,500 grant to produce orange juice as well as other products

Grant funding was provided to finance working capital for a farmer-owned certified organic grain processing and milling operation in western Kansas

Intermediary Relending Program

Purpose – To finance community development projects, establish new businesses, expand existing businesses, and create or save jobs by lending funds to intermediaries, which, in turn, provide loans to ultimate recipients.

Eligible Area – Rural areas with population up to 25,000.

Eligible Entities – Public bodies (cities, counties, etc.), private nonprofit organizations, Indian groups or certain cooperatives. Entities (Intermediaries) must have appropriate legal authority and sufficient capitalization and experience to successfully operate a loan program. There must be assurance of repayment of the USDA Rural Development loan, and the Agency must be the only credit available at reasonable rates and terms to the project.

Eligible Ultimate Loan Recipients – Legal entities, such as: individuals and public or private organizations

Type of Assistance – Loans at 1% interest rates to intermediaries for a maximum of thirty (30) years

What can the Program do for your Community?

- Help create and/or save jobs
- Provide businesses and communities with a source of funds to establish a revolving loan fund
- Provide ultimate recipient businesses with a source of loan funds
- Enables growth of new businesses and allows expansion of existing businesses

Engel's Sales and Service expanded a lawn/garden sales and service center utilizing the Intermediary Relending Program. Engel's provides parts and service for all types of lawn mowers, garden tillers, snow blowers and some automotive repairs.

Business & Community Programs

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
BUSINESS & INDUSTRY (B&I) (Guar. 4279-A,B)	Any legal entity - Individual - Pub. Organ. - Priv. Corp.	<50,000 Pop.	Yes / No (2% fee)	No	Fixed/Variable Negotiated w/lender	RE - 30 yr M&E - 15 yr WC - 7 yr	- Existing Business - Min. 10% - New Business Min 20-25%	- Business Construction, Acquisition, and/or Modernization - Working Capital [Note: Does not require test for credit elsewhere]	- Golf Courses - Ag Production - Line of Credit
RURAL BUSINESS ENTERPRISE GRANT (RBEG) (1942-G)	- Public Body - Not for Profit - Federally Recognized Indian Tribes	<50,000 Pop.	No / No	Yes	N/A	N/A	N/A	To help finance and develop small & emerging private businesses. - Revolving Loan Program to make loans for Land acquisition, building improvement - Technical Assistance, etc. - Industrial Park development for small business [Notes: (Small Business definition: < 50 new employees & < $1.0 mil in projected gross sales per yr) (Business does not directly receive grant)]	- Ag Production - Area Wide Planning - Transfer of jobs or businesses - Cable TV systems
INTERMEDIARY RELENDING PROGRAM (IRP) (4274-D)	- Private Not for Profit - Public Bodies Cooperatives	<25,000 Pop.	No / Yes	No	1%	30 yrs	N/A	Relending Program for: - Establish new business &/or expand an existing business including capital improvements, M&E, &/or WC.	- Golf Courses - To Government Employees - Payment to Owners - Ag Production - Line of Credit
RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS (REDLG) (1703-B)	- RUS Borrowers Elec. / Phone not delinquent	<2,500 Pop. or majority of jobs created will be held by rural residents	No / Yes	Yes	0%	Normally not exceed 10 yrs	N/A	Rural Job Creation and Economic Development : Loan: - Business Construction, start up and expansion costs, and M & E Grant: - Establish revolving loan fund with initial project to city, nonprofit, health, or education	- Electric / Phone purposes - Residential purposes - Cost prior to app. - Purchase existing business - Transfer jobs from one area to another

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
WATER & WASTE (WWD) (Dir. 1780-A-D) (Guar. 1779)	- Public Bodies - Not for Profit - Federally Recognized Indian Tribes	<10,000 Pop.	Yes / Yes (1% fee)	Yes Max % possible: 0% >39,859 MHI 45% ≤39,859 MHI 75% <31,887 MHI	Market Rate: >39,859 MHI * Intermediate: ≤39,859 MHI * Poverty Rate: <31,887 MHI * Guar: Negotiated w/ Lender	40 yrs Guar: 40 yrs	N/A	- Construct, repair, improve rural water supply and waste disposal systems - Acquire land and water rights - Pay fees: legal, eng., etc. - Solid Waste Disposal Proj. and Storm Drainage - Refinancing, when secondary part of project	- Grant finder's fee - Combined storm and sanitary sewer facility - Facilities not modest in design & cost
COMMUNITY FACILITIES (CF) (Dir. 1942-A) (Guar. 3575-A) (Grant 3570-B)	- Public Bodies - Not for Profit - Federally Recognized Indian Tribes	Loan: <20,000 Pop. Grant: <20,000 Pop.	Yes / Yes (1% fee)	Yes Max % possible: - 0% >35,873 MHI - 15% ≤35,873 MHI & pop. <20,000 - 35% ≤31,887 MHI & pop.<20,000 - 55% ≤27,901 MHI & pop.<12,000 - 75% ≤23,915 MHI & pop. <5,000	- Direct: same as for Water & Waste - Guar: Negotiated w/ Lender	40 yrs Max - 40 yrs	N/A	- Hospitals, Nursing Homes, Medical Clinics, Ambulances - Fire and Police Stations - Courthouses, Libraries, and other Community Buildings - Day Care Facilities	- Recreation--except under guaranteed loan program - Community Ant. TV - B&I buildings - Facilities not modest in design & costs Grant Ineligibles: - Debt refinancing, - Interest, - O & M costs
DISTANCE LEARNING AND TELEMEDICINE (1703-D)	- For Profit - Not for Profit	Loan: <20,000 Pop. Grant: <10,000 Pop.	No / Yes (Note: $ 50,000 min $9,600,000 max. & can't exceed 100% of project cost)	Yes (Note: $50K min $500K max & cannot exceed 70% of project cost)	Fixed at Treasury Rate to be established by N/O	10 yrs	N/A	- Equipment: including computer hardware or software, audio /visual equipment , computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, inside wiring, interactive video equipment, - Acquire instructional programming - Provide technical assistance and instruction	- Salaries, wages, or admin. Fees - Duplicate facilities already providing a service - Purchase equipment that will be owned by the local exchange carrier. Grant Ineligibles: - Purchase of land, buildings or building construction

*Fixed Rates. These rates are set each quarter based on municipal bond rates. Poverty interest rate is currently set at 4.5%.

03/22/06

Business & Community Programs

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
VALUE-ADDED PRODUCER GRANT PROGRAM (VAPG) (4284-A,J)	- Independent Producer - Farmer or Rancher Co-op - Ag Producer Group - Majority Controlled Producer Based Business Venture	No	No / No	Yes Max. 50%	N/A	N/A	N/A	- Planning Activities, such as feasibility studies, developing business and marketing plans, and legal evaluations. - Working Capital – to pay normal expenses for processing and marketing value-added agricultural products, including purchase inventory, salaries, and office supplies, conduct marketing campaign.	- Costs of preparing the application pkg. - Costs incurred prior to grant approval - Bldg improvements or repairs - Purchase or rent equipment or land - Fund research and development - Pay for production related expenses
RENEWABLE ENERGY/ ENERGY EFFICIENCY PROGRAM (RE/EE) (4280-B)	- Agricultural Producer - Small business	<50,000 Pop.	Yes / No 1% fee Guar Max 50% of total eligible project costs (NOTE) Min/Max $5,000 to $10 Million	Yes Grant Max 25% of total eligible project costs (NOTE) Min/Max -RE-$2,500 to $500,000 -EE-$1,500 To $250,000	Guar. Fixed/Variable Negotiated w/lender	Guar. RE - 30 yr M&E - 20 yr WC - 7 yr	Guar. If < or = $600,000 – 15% cash equity If > $600,000 - 25% cash equity	- Post application purchase and installation of equipment - Post application construction or project improvement - Energy audits or assessments - Permit and Professional service fees - Feasibility studies and business plans - Retrofitting - Working Capital and land acquisition for guaranteed loans only	- Agricultural tillage equipment and vehicles - Residential uses - Application preparation costs
RURAL BUSINESS OPPORTUNITY GRANTS (RBOG) (4284-G)	- Public Body - Not for Profit - Federally Recognized Indian Tribes	<50,000 Pop.	No / No	Yes	N/A	N/A	N/A	- Provide technical assistance for business development and economic development planning	- Real Estate acquisition or building construction - Duplicate current Services - Pay costs of preparing the application package

PROGRAM	WHO MAY BORROW	RURAL AREA	LOAN Guar / Direct	GRANT	INTEREST RATE	TERMS	EQUITY REQ.	ELIGIBILITY PURPOSES	INELIGIBLE [not limited to]
RURAL COOPERATIVE DEVELOPMENT GRANT (RCDG) (4284-F)	- Not for Profit - Institutions of Higher Learning	<50,000 Pop.	No / No	Yes Max. 75%	N/A	N/A	N/A	- Applied research, feasibility, environmental and other studies; collection, interpretation, and dissemination of principles, facts, technical knowledge, or other information; providing training and instruction; providing loans and grants; providing technical assistance, research services, and advisory services; all which may be useful to, and for individuals, cooperatives, small businesses and other similar entities in rural areas served by the center for the purpose of cooperative development	- Pay more than 75% of eligible project costs - Duplicate current services or Replace / substitute support previously provided - Cost of preparing the grant application - Cost prior to grant approval - Pay for bldg. construction, purchase or real estate or vehicles, improving or renovating office space, or the repair or maintenance of privately owned property or - Assistance to private business enterprise which does not have at least 51% ownership either citizens of the U.S. legally admitted for permanent residence.
SOLID WASTE MANAGEMTN GRANTS (SWM) (1775)	- Public Bodies - Private Not for Profit - Federally Recognized Indian Tribes - Academic Institutions	Grant: <10,000 Pop.	No / No	Yes	N/A	N/A	N/A	- Technical Assistance and/or training to reduce solid waste stream - Training to enhance operator skills in active landfills - Evaluate current landfill conditions for threats to water resources - Technical assistance and/or training for operators of closed or will be closed landfills - Fees for eligible purposes.	- Fund political activity - Duplicate current services - Recruit applications for Agency's loan/grant Programs - Pay for construction or O&M costs - Pay for costs prior to the effective date of grant

*Fixed Rates. These rates are set each quarter based on municipal bond rates. Poverty interest rate is currently set at 4.5%.

03/22/06

Housing Programs

Single Family Housing Guaranteed Loan Program

Purpose – Financing for construction of a single family residence, or purchase of an existing single family residence.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Borrowers – Individuals and families.

Type of Assistance – Guaranteed loans up to 102% of appraised value.

Eligible Income – Applicants cannot exceed the moderate income level (115% of the median income) for county.

Term – 30 years for guaranteed loans. Fixed rate determined by approved lender.
No down payment required. No Private Mortgage Insurance (PMI) is required. No maximum loan amount.

What can the Program do for You?

- Provides financing for income eligible individuals and families who otherwise would not be able to purchase a home, bridging the affordability gap for homeownership
- Utilizes locally approved lenders
- Reduces borrower's monthly mortgage payments because of lower costs associated with the loan

Examples:

Lisa Taggart and her children, Phillip and Amanda, are pictured outside their home in Wamego, Kansas. Kristi Lloyd, USDA Rural Development Specialist from the Manhattan Office (right), is pictured with the Taggart family.

This home in Lyons, Kansas was purchased with a loan under the Agency's Guaranteed Loan Program.

Single Family Housing Direct Loan Program

Purpose – New construction of a single family residence, or purchase of an existing single family residence.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Borrowers – Individuals and families.

Type of Assistance – Direct loans.

Eligible Income – Applicants must be very low or low income (80% of the median income) for the county.

Term – Up to 33 years. No down payment required.

What can the Program do for You?

- Provides 100% financing income eligible individuals and families who otherwise would not be able to purchase a home, bridging the affordability gap for new home construction
- Provides subsidized loans for eligible borrowers to lower their monthly house payments
- Utilizes USDA Rural Development partners with assistance programs that helps make homeownership more affordable

Examples:

Austin Taylor and Jennifer Reichle stand in front of their new home in Holton. Their home was financed under USDA Rural Development's Direct Loan Program

The Tim Zorn family, previously living in an unheated school bus (also shown), was able to purchase a home in south central Kansas through the Agency's Direct Loan Program

Single Family Home Repair Grant & Loan Program

Purpose – Funding to remove health and safety hazards for owner-occupied single family residences. Program funds may also be used for general repairs and improvements.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Individuals/Families – Individuals and families that own their home. Grant applicants must be 62 years of age and not qualify for a loan.

Type of Assistance – Grants and direct loans.

Eligible Income – Grant and direct loan applicants must be very low income (50% of the median income) for the county.

Term – Recapture provision for grants (3 years); 20 years for loans.

What can the Program do for You?

- Funding for eligible applicants who cannot otherwise afford essential home repairs
- Improves the quality of housing in the rural community

Examples:

Program funds were used for new siding, guttering, new windows, carpeting and vinyl throughout the home, new heating and air conditioning, and new roof for this home in central Kansas

The Agency's Repair Loan Program was utilized to make improvements to this mid-central Kansas home. Program funds were used for new roof, new guttering, electrical repair and drywall

Mutual Self-Help Housing Program

Purpose – Technical assistance grant funds awarded to Agency-approved recipient to help income eligible individuals and/or families work together to build their home (normally 6 to 8 approved loan applicants form a group).

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Grant Recipients – Private nonprofit corporation, public nonprofit corporation, State political subdivision.

Type of Assistance – Grant funding awarded to Agency-approved recipient for program administration. Program is administered in conjunction with USDA Rural Development's Direct Loan Program which provides financing to the individual homeowners.

Term – 2 years (technical assistance grant).

What can the Program do for You?

- Provides homeownership opportunities to families through 'sweat equity'
- Encourages new home construction for a community
- Promotes community pride (builds neighborhoods, builds communities)
- Reimbursement for salaries, rents, and office expenses for grant recipient

Examples:

Families break ground for another round of the Agency's Mutual Self-Help houses to be built in Junction City, Kansas

U.S. Senator Pat Roberts joined families in celebrating the construction and dedication of Mutual Self-Help homes in Valley Center, Kansas

Multi-Family Housing Guaranteed Loan Program

Purpose – Increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between USDA Rural Development, private lenders and public agencies. USDA Rural Development will issue guarantees on eligible loans made by Agency approved lenders.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Borrowers – Qualified lenders and eligible housing providers, such as corporations, limited liability corporations, or partnerships.

Type of Assistance – Guaranteed loans.

Term – Minimum of 25 years, maximum of 40 years.

What can the Program do for You?

- Increases supply of affordable multi-family housing through Agency partnerships
- Provides housing opportunities for low to moderate income tenants
- Builds valuable partnerships between federal, state and local housing agencies

Examples:

Attractive apartments such as these can be financed under USDA Rural Development's Multi-Family Guaranteed Housing Program. Amenities may include carpeting, thermal windows and fully appointed kitchens with dishwashers, refrigerators, and built in stoves. A centrally-located activity center is also available to residents.

Multi-Family Housing Direct Loan Program

Purpose – Financing to provide living units for persons with low and moderate incomes. Loans are primarily used to build, purchase or repair apartment style housing. The housing must be modest in size, design and cost, but adequate to meet the tenants' needs. Monthly rent must be within limits that eligible occupants can afford to pay.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Borrowers – Individuals, associations, partnerships, limited-partnerships, consumer cooperatives, profit corporations and nonprofit corporations, State and local agencies, and trusts.

Type of Assistance – Direct loans.

Term – 50 years.

What can the Program do for You?

- Provides and supports needed low income housing in your community
- Provides housing for elderly or developmentally disabled
- Rehabilitate a historic structure, providing needed affordable housing

Examples:

With funding from USDA Rural Development, this facility in Hays has removed the financial barriers and serves the needs of 32 tenants, individuals who sometimes are denied housing due to the stigma associated with their illnesses.

The former Bartell Hotel, a historic Junction City landmark, will be converted into 32 senior units for very low, low or moderate income households.

Housing Preservation Grant (HPG) Program

Purpose – Funding to nonprofit and other governmental organizations to remove health and safety hazards for owner-occupied residences or rental housing for very low income individuals. These grants are used along with other funding sources to accomplish the repairs.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Grant Recipient – A nonprofit organization such a local government, or community development group.

Type of Assistance – Grants.

Eligible Income – Eligible individuals must be very low income (50% of the median income) for the county.

Term – The objectives of the grant shall be accomplished within a two (2) year period.

What can the Program do for You?

- Assists eligible applicants who cannot otherwise afford essential home repairs
- Improves the quality of housing in the rural community
- Creates beneficial funding partnerships for the local community

Example:

Lower income homeowners needing upgrades to their homes to remove health and safety concerns or to improve handicapped accessibility may qualify for funding. Funds are allocated to nonprofit entities or other governmental units who, in turn, take applications from the homeowner.

Farm Labor Housing Program

Purpose – Funding to construct new housing or to convert existing structures to provide affordable and adequate housing for domestic farm laborers. Grants may be available for economically depressed areas where there is an extreme need for such facilities, and a reasonable doubt exists that the housing cannot be provided without grant assistance.

Eligible Area – Funds may be used in either rural or urban areas to provide housing to nearby farm laborers. This Program is the only USDA Rural Development housing program that allows funding in areas with populations over 20,000, if the need exists.

Eligible Borrowers – Farm workers, family farm organizations, state and local public agencies and private broad-based organizations or nonprofit organizations of farm workers.

Type of Assistance – Grants and direct loans.

Terms – Grants may cover up to 90% of the development costs; loans are for 33 years at 1% interest.

What can the Program do for You?

- Provides adequate, affordable rental housing for farm laborers or those engaged in on-farm processing
- Allows for the construction of day care facilities and community buildings for families of farm laborers

Examples:

USDA Rural Development funds are available to construct or modify structures similar to these to provide safe and decent housing for domestic farm laborers. USDA Rural Development is interested in identifying local applicants who can benefit from this program.

Rural Housing Site Loan Program

Purpose – Funding to assist public or private nonprofit organizations in providing sites for rural housing. The land will be subdivided into adequate building sites and sold on a non-profit basis to applicants eligible for low and moderate-income homeownership. Funds can be used for purchase and development of adequate sites, including the construction of essential access roads, streets, utility lines and payment of necessary engineering fees, legal fees and closing costs.

Eligible Area – Nonmetropolitan areas of 20,000 population or less.

Eligible Borrower – The Agency's Section 523 loans are limited to private or public non-profit organizations that will provide sites solely for self-help housing. The Agency's Section 524 loans are made to private or public non-profit organizations. Section 524 sites may be sold to very low to moderate-income families utilizing the Agency's single family loan programs, or any other mortgage financing program which serves the same eligible families.

Type of Assistance – Direct loan.

Eligible Income – Applicants for homeownership must be:

- Very low or low income (below 80% of the median income) for the county (Section 523 loans).
- Very low to moderate income (the upper limit for moderate income is $5,500 above the low income limit) for the county (Section 524 loans).

Term – Loans are for two years. Section 523 loans bear 3% interest rate. Section 524 loans bear the market interest rate.

What can the Program do for You?

- Provides building sites for eligible homebuyers
- Supports improved quality of housing in a rural community

Examples:

Rural Housing Programs

Eligible Applicant	USDA Program	Purpose	Program Type	Non-Metro Areas	Authorized Purposes	Typical Funding	Interest Rates& Terms
Families and individuals	Single Family Housing Guaranteed Loans	To provide 100% financing through an approved commercial Lender to buy/build adequate housing for moderate and low income applicants	USDA Guaranteed Loan made by bank or mortgage broker	Rural areas with population of <20,000	Loans may be made to purchase new or existing homes as the applicant's permanent residence	$40,000 to $140,000	Negotiated rate that is fixed for 30 year term.
	Single Family Housing Direct Loan	To provide 100% financing to lower income applicants to buy/build adequate housing.	USDA Direct Loan	Rural areas with population of <20,000	To buy, build, repair or rehabilitate rural homes as the applicant's permanent residence	$35,000 - $120,000	Fixed rate; 33 year term, some exceptions may apply
	Single Family Housing Direct Repair Loans and Grants	To help very-low income applicants remove health and safety hazards or repair their homes. Grants or loan/grant combination for those 62 or older who cannot afford all or part of a loan	USDA Direct Loan or Grant	Rural areas with population of <20,000	Loan and grant purposes include: repair/replace roofs, heating/AC, repair/replace heating system, structural repair, water/sewage lines, siding, windows and doors	$1,000 - $20,000 loan $1,000 - $7,500 grant	1% loan up to 20 years; Monthly pmt. on a $5,000 loan for 20 yrs. is only $23
	Mutual Self-Help Housing Direct Loans	Individual homes built by a group of applicants with construction guidance of a non-profit organization	USDA Direct Loan	Rural areas with population of <20,000	Loans applications are processed on an individual basis for each participating family	$75,000 - $95,000	Fixed rate; 33 year term
Non-profits and public bodies	Mutual Self-Help Housing Grants	To provide funds to non-profit entities to assist self-help applicants in building their own homes	USDA Grant	Rural areas with population of <20,000	Technical assistance to qualify and supervise small groups of families to build each other's homes	$10,000 - $250,000	Grant
Public bodies, individuals, limit profit and non-profit organizations	Rental Housing for Families and Elderly	To establish safe, well-built, affordable rental housing for very low, low and moderate-income rural households	USDA Direct Loan or Guaranteed Loan made by bank or mortgage broker	Rural areas with population of <20,000	New construction or substantial rehabilitation of rental housing	Direct up to $1,000,000 Guaranteed: $1,000,000-$5,000,000	Direct fixed rate, 30 year term; Guaranteed : negotiated fixed rate, 30 year term
Public bodies and non-profit organizations	Housing Preservation Grants	To provide funds for a non-profit to redistribute to individuals for the rehabilitation of housing owned or occupied. For very low and low income applicants	USDA Grant to a nonprofit	Rural areas with population of <20,000	Operate a program which finances repair and rehabilitation activities for single family and small rental properties	$25,000 – 50,000	Grant
Individuals, public and private non-profit orgs.; family farm partnership or corp.; assoc of farmers & public agencies	Farm Labor Housing	To establish safe, well-built, affordable rental housing for domestic farm workers	USDA Direct loan and grant	Entire State of Kansas (urban and metro)	New construction or substantial rehabilitation of rental housing	$100,000 - $400,000	1% fixed rate, 33 year term

(03/09/06)

Special Initiatives

Community Development Initiative

Purpose – A process through which people and communities acquire the attitudes, skills and abilities for active participation in creating meaningful futures and dealing with community issues.

- Promote active and representative participation toward enabling all community members to meaningfully influence the decisions that affect their lives.
- Engage community members in learning about and understanding local and regional issues, and the economic, social, environmental, political, psychological, and other impacts associated with alternative courses of action.
- Incorporate the diverse interests and cultures of the geographical area in the community development process; and disengage from support of any effort that is likely to adversely affect the disadvantaged members of a community.
- Work actively to enhance the leadership capacity of local residents, leaders, and groups within the community.
- Be open to using the full range of action strategies to work toward the long term sustainability and well being of the community.

Type of Assistance – USDA Rural Development has been addressing the challenges that face rural Kansas in creating improved economic opportunities and enhancing rural Kansans quality of life.

To provide this assistance, USDA Rural Development determined that community development training should be offered to rural leaders across Kansas. As a result, with the cooperation of several partners, four "Grassroots Community Development" sessions have been held since 2003, providing training to nearly 200 participants.

Additionally, numerous town hall meetings, business and community program forums, and housing information meetings have been held across the state. These meetings educate the public sector in how to enhance the economic development, community development, and quality of life for rural Kansans.

Examples:

"Grassroots Community Development" training seminars provide valuable resource information to facilitate in building Kansas communities for the future.

Agency / Congressional Town Meetings and Agency / Community Listening Tours provides business, housing, and community leaders with USDA Rural Development opportunities to enhance economic and community development.

Faith-Based and Community Initiative

Purpose – Under President Bush's Faith-Based and Community Initiative, USDA Rural Development is one of the USDA agencies ensuring that faith-based and community organizations have equal access to USDA programs and benefits. USDA Rural Development is working to reach out and educate these organizations about the Agency's funding opportunities. The Agency is committed to helping groups and individuals learn about and access USDA Rural Development programs that can enhance their capacity to serve their community.

Type of Assistance –

Community Facilities Program provides grants, loans and loan guarantees to public entities, non-profit organizations and tribal governments to develop essential community facilities -- like schools, libraries, medical clinics, community centers, and fire and rescue stations -- in rural towns of up to 20,000 in population.

Rural Rental Housing Direct and Guaranteed Loan Programs provides affordable multi-family rental housing for very low-, low-, and moderate-income families, the elderly and people with disabilities.

Farm Labor Housing Program provides decent, safe and sanitary low-rent housing to domestic farm laborers through loans and grants to States, local governments, non-profit organizations and others.

Rental Assistance utilized in existing and newly constructed Rural Rental Housing or Farm Labor Housing financed complexes. The rental housing must be established on a non- or limited-profit basis.

Housing Preservation Grant program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing.

Technical and Supervisory Assistance Grants help low-income families obtain adequate housing or continue occupancy in their existing housing. These grants support counseling and housing delivery programs.

Mutual Self-Help Housing is a method of building homes that empowers low-income individuals and families to build their own homes. USDA Rural Development provides self-help housing grants to qualified non-profit and public organizations to support these innovative efforts.

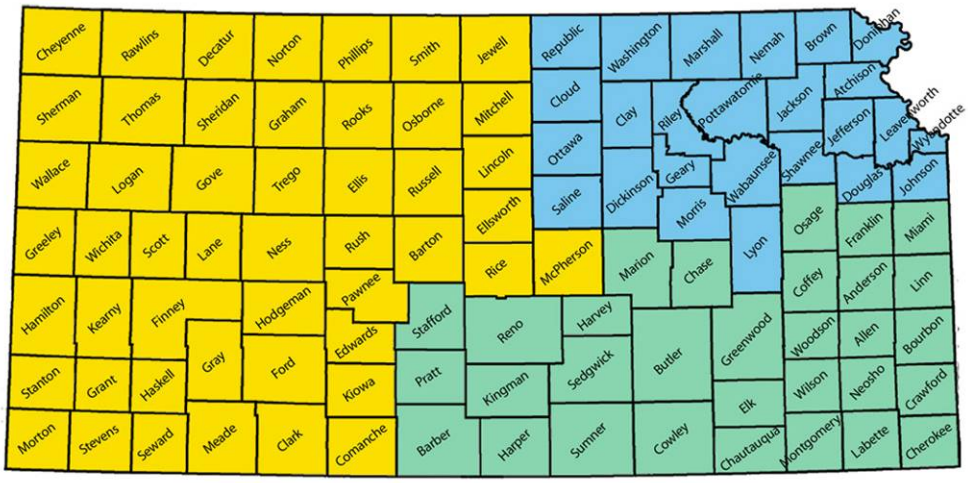
The Distance Learning and Telemedicine (DLT) Program meets the educational and health care needs of rural America by financing advanced telecommunications technologies to provide enhanced learning and health care opportunities for rural residents. DLT grants are available to eligible organizations.

Examples:

Mennonite Housing Rehabilitation Services, Inc. of Wichita is a Technical Assistance Grantee through the Agency's Mutual Self-Help Housing Program. Rebeca Fernandez and her sister Claudia Calderon built homes located next to each other in Valley Center. State Director Chuck Banks (right) along with Andrew Bias of Mennonite Housing Rehabilitation Services, Inc. of Wichita with the sisters at their open house celebration.

The Hurricane Katrina displaced Faciane family from New Orleans was able to locate in Apple Valley Apartments in Holton, with the cooperation of the MACO Management and the support of Topeka Bible Church (providing furnishings, bedding, dishes, appliances, clothing.)

USDA Rural Development
Kansas Area Jurisdictions



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"USDA Rural Development's mission is to deliver programs that support increasing economic opportunities and enhance the quality of life. The Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure – all to serve rural Kansas."

Chuck Banks, State Director

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