

Contact Us Today!

Alexandria State Office
(318) 473-7940

Monroe Area Office
(318) 343-4467, ext. 6

Natchitoches Area Office
(318) 352-7100, ext. 6

Lafayette Area Office
(337) 262-6601, ext. 6

Amite Area Office
(985) 748-8751, ext. 6

USDA Rural Development
3727 Government Street
Alexandria, Louisiana 71302
(318) 473-7940
<http://www.rurdev.usda.gov/la/>

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Revised 10/3/07

USDA Rural Development
3727 Government Street
Alexandria, Louisiana 71302



Committed to the future of rural communities.

**Make
the
most of
your
lending
dollars**



**Guaranteed
Community Facilities
Loan Program**



Committed to the future of rural communities.

USDA Rural Development is committed to building stronger, more vibrant rural communities across the nation.

Community facilities, such as health care clinics, police and fire stations, and schools, are essential to the quality of life in rural communities. USDA Rural Development can work with local lenders, including banks, savings and loan associations, mortgage companies, and Farm Credit Services, to offer loan guarantees to help build essential community facilities.

Types of Projects Financed

Health Care

Hospitals, clinics, nursing homes, ambulatory care centers, etc.

Public Safety

Police and fire stations, jails, fire and rescue vehicles, and communication centers.

Telecommunications

Medical and educational telecommunications links.

Public Services

Adult and child care centers, courthouses, airports, schools, fairgrounds, etc.

Eligible Entities

Municipalities, parishes, other public subdivisions, special purpose districts, federally-recognized Indian tribes, and non-profit organizations.

Eligibility Issues

Lender must be unwilling to make the loan without obtaining a loan guarantee.

Loans are limited to unincorporated rural areas and incorporated towns of 20,000 or less.

Benefits to Lender

- Increases customer base.
- Loans approved in the state.
- Loans may be used towards Community Reinvestment Act requirements.
- Guarantee rate is usually 90% of loan amount.
- Variable-rate loans may be used to reduce lender risk from interest fluctuation.
- Lender may charge different rates on guaranteed and non-guaranteed portions of the loan.
- Lender's risk of loss is reduced by the percent of loan guarantee.
- Guaranteed portion of loan is secured by full faith and credit of U.S. Government.
- Provides portfolio protection.

Guaranteed loans may be sold on the secondary market

The lender retains interest rate margin for servicing and increases yield on the amount of loan retained.

Amount of Loan	\$1,000,000
Portion Sold	\$900,000
Invested Funds	\$100,000
Loan Interest Rate	8.00%
Rate Paid on Portion Sold	6.25%
Servicing Fee on Amount Sold	1.00%
Prime Rate	8.00%
Income - 1% on \$900,000	\$9,000
8% on \$100,000	\$8,000
TOTAL INCOME	\$17,000
Approximate Yield on Invested Funds	17.00%

USDA Rural Development · Guaranteed Community Facilities Loan Program

Assistance is Available for Loan Processing

Aside from USDA Rural Development application forms, the lender uses their own documents to make and service loans.

USDA Rural Development staff is available to assist lenders to prepare documents required for guaranteed loan processing.

USDA Rural Development has technical staff who review construction plans and environmental impact statements for the benefit of the Government.

Benefits to Customer

- Customer is able to obtain more timely financing of project.
- Customer establishes loan history with a commercial lender, not the Government.
- Lender can offer better terms to customer.
- The customer may combine guarantee funds with other federal, state, and local funds.

Benefits to Community

- Adequate local services attract residential and commercial development.
- Tax base can increase with new development.
- Insurance rates can decrease with better fire protection.
- Community quality of life improved.