



USDA RURAL DEVELOPMENT

# The Reader

SOUTH DAKOTA USDA RURAL DEVELOPMENT'S NEWSLETTER

JUNE 2006

## EARTH DAY—BDM CULMINATION EVENT

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### DID YOU KNOW?

- If blood is red, why are veins blue? Blood is bright red in its oxygenated form and dark red in deoxygenated form. In simpler terms, it is bright red when it leaves the lungs full of oxygen and dark red when it returns to the lungs for a refill. Veins appear blue because light penetrating the skin is absorbed and reflected in high energy wavelengths back to the eye. Higher energy wavelengths are blue.
- All deer, even the giraffe, have only seven neck bones.
- The length from your wrist to your elbow is the same as the length of your foot.
- Your heart beats 101,000 times a day. During your lifetime, it will beat about 3 million times and pump about 400 million liters (800 million pints) of blood.

**Britton** - Curtis Anderson, United States Department of Agriculture (USDA) Rural Development Deputy Administrator for Rural Utilities programs was in South Dakota to participate in an Earth Day recognition event for BDM Rural Water System on April 25, 2006. Earth Day activities highlight the importance that President Bush places on a strong environmental policy that is compatible with a growing, healthy economy.

“USDA Rural Development applauds the BDM Rural Water System for their active role in bringing quality water into parts of rural South Dakota,” Anderson said. “The leveraging of funds to take on a project of this extent reflects a strong sense of foresight and commitment to the prosperity of its rural communities by all partners involved.”

The BDM Rural Water System, located in the northern part of South Dakota, has been involved in an expansion project into eastern Marshall and Roberts Counties. Over the past several years, BDM has been the recipient of federal funds totaling \$9.3 million, in addition to leveraged funds received from state and local governments, and Indian Health Service, and Bureau of Indian Affairs. The combined partnership of funds has assisted them with completing four phases of a multi-phased project. Making water available to rural areas has helped keep families in areas that otherwise might have been deserted.



Pictured above left to right: David Wade—Manager for BDM Rural Water System, Curtis Anderson—Deputy Administrator for Rural Utilities and Area Director Bruce Jones.



Pictured above — left to right: State Director Lynn D. Jensen, Bill Deutsch – Britton City Council President, David Wade – BDM General Manager, Connie Williams – Representative Herseith’s Staff, Darian Kilker – Board President, and Deputy Administrator for Rural Utilities Curtis Anderson (Washington, DC).

“Rural Development has played a major role in securing funding and making these projects happen in eastern Marshall and Roberts Counties,” said David Wade, Manager for the BDM Rural Water System. He continued, “We look forward to working with Rural Development in our next project of expanding to the Hecla area and also internally.”

*“The purpose of life is not to be happy.  
It is to be useful, to be honorable,  
to be compassionate, to have it make some  
difference that you have lived and lived well.”  
- Ralph Waldo Emerson -*

## SIoux VALLEY ENERGY

USDA Rural Development State Director Lynn D. Jensen presented a ceremonial check to Sioux Valley Energy officials in the amount of \$25,710,000 for system improvements. This is the largest award presented to date in the state of South Dakota. Jensen said, "Improvements made to Sioux Valley's infrastructure will allow for community and business growth and ultimately

lead to new job opportunities for residents in rural areas. These federal funds will improve and enhance services to the customers supported by the electric cooperative community."

Through USDA Rural Development's utilities program, loans and loan guarantees are made to finance the construction or replacement of electric distribution, transmission and generation facilities.

the funds to help extend service to the average 400 new customers who move onto the cooperative's lines each year, build new distribution line and make other system improvements.

Sioux Valley serves primarily rural portions of Moody, Lake, Brookings, Minnehaha, and eastern Kingsbury Counties in South Dakota and Rock and Pipestone Counties in Minnesota. The cooperative also serves Brandon, Harford, Humboldt, Colton, Sinai, Junius, Lyons and Valley Springs, South Dakota and

Hardwick, Minnesota. "Because of the comparatively low density of consumers per mile of line in areas we serve," said Don L. Marker, general manager/CEO of Sioux Valley Energy, "we rely on USDA Rural Development financing to help us keep our customers' service reliable and their electric rates comparable to those charged by more urban utilities."



Those pictured in the attached photo include from left to right: Betty VanDerWerff – Director of Finance and Accounting, Dian Hoven – Board Member, Eunice Bartels – Vice President, Henning Hansen – Board President, State Director Lynn D. Jensen, and Michelle Colson – General Field Representative.

## HOMEOWNERSHIP OPPORTUNITY

**Huron** – Rural Development offers a guaranteed single family housing loan whereby an applicant can purchase a dwelling in a non-metropolitan area with little or no cash from their personal resources. These loans, which are similar to a conventional loan, are made by approved lenders and

guaranteed by Rural Development. An individual can borrow up to 100% of the appraised value, if needed, plus the 2% guarantee fee. Loans are made for a 30 year term and the interest rate is similar to a 30 year conventional rates.



There are maximum household income limitations for eligibility that are based on 115% of the national medium income. Additional applicant eligibility requirements include: The borrower's income must be dependable and adequate

to repay the loan and other obligations, the total monthly housing costs can not exceed 29% of the monthly income and the total monthly payment requirement can not exceed 41% of the total monthly income, the applicant must be a U.S. citizen or a legally admitted permanent resident that intends to per-

**HOMEOWNERSHIP OPPORTUNITY (CONTINUED)**

sonally occupy the dwelling, unable to qualify for a “conventional” loan, and who has completed a homebuyer education program if there is such a program available in their area.

During the current fiscal year that began October 1, 2005, Rural Development has guaranteed 612 housing loans in South Dakota for a total investment of \$55,808,011. This has been accomplished

through the partnerships of our nine local offices and 50 approved lenders across the state and the nation. If someone is interested in more information concerning the opportunities that this mortgage loan program offers, they should contact one of the many approved lenders or call Rural Development at 605-352-1100.



**OWN YOUR FUTURE**

Aberdeen— Melanie Felch’s first stop in her quest to own a home started at a bank. However, because she didn’t have much credit history, the bank turned her down and recommended Rural Development’s programs to her.

For the last ten years Melanie’s love for children had created a dream of someday having foster children. When friends of hers decided they wanted to move into a smaller house, Melanie found the home she was looking for; with 4-bedrooms it would be big enough for the foster children she someday planned on having. The house also needed some improvements; Rural Development was able to assist Melanie with the improvements along with the purchase of the house by making her a 1% loan that was

leveraged with a low interest loan from Northeast South Dakota Economic Corporation (NESCEC) and a grant from Homes Are Possible, Inc. (HAPI). A happy Melanie stated, “Rural Development helped me reach my goal of owning a home.”

A lot of things have changed since Melanie purchased her home; her boyfriend proposed and just a couple of months after they were married, Melanie discovered they would be hearing the pitter patter of little feet. In the future, Melanie still plans on taking foster children into her home as she feels it is important to give kids a good, safe, place to live. However, at this moment in time, she has her hands full with working on her home and taking care of her three month old baby daughter. Rural Develop-

**JUNE IS HOMEOWNERSHIP MONTH**

In recognition of Homeownership Month, many activities will be highlighted across the state including: A visit to the state by Peter Morgan, Chief of Staff of Rural Development’s Housing and Community Facilities Programs on June 13 & 14, 2006. On June 13th a meeting is planned with Homes Are Possible, Inc. Executive Director Dave Shelton and tour the

HAPI site in Aberdeen, tour the Dakota Nation Housing Development Corporation and Long Hollow self-help site located in Sisseton. On June 14th, USDA Rural Development staff will participate in the Dakota Connection Housing Fair in Sisseton from 9:00 a.m.—4:00 p.m. Other activities are planned across the state throughout the month. The 2006 theme for Homeownership Month is “own your future.”

ment is happy to finance houses that are made into homes.

**“Rural Development helped me reach my goal of owning my own home.”  
- Melanie Felch -**



**Pictured above is Melanie Felch and her 3-month hold in their new home.**

**MULTI-FAMILY HOUSING**

Application deadlines are nearing for several multi-family housing programs and the staff is gearing up for the application processing stage. South Dakota hopes to receive a significant amount of funding through the programs which would help to provide additional housing throughout the state. One significant impending deadline is that of the MFH Section 538 guaranteed loan program. The final date for responses to be received in the State Office is June 16, 2006. This program is an excellent way for borrowers to develop new rental housing, or acquire and rehabilitate existing multi-family housing.

**We are on the web!**

[www.rurdev.usda.gov/sd](http://www.rurdev.usda.gov/sd)

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#### THOUGHTS FROM USDA RURAL DEVELOPMENT ACTING STATE DIRECTOR TIM B. POTTS

**Huron**—On June 2, 2006, Lynn D. Jensen resigned his position of State Director at USDA Rural Development in South Dakota to pursue other interests. Upon his resignation, I was appointed to serve as the Acting State Director. I consider it an honor and a privilege to serve in this capacity. We wish Mr. Jensen success on his new business venture.

Our staff will be busy this month promoting this year's Homeownership theme, "Own your future." We will be holding events in various

locations throughout the state and inviting individuals and families to consider stopping in to identify whether or not they are eligible for our programs.

So far this fiscal year, USDA Rural Development in South Dakota has invested \$56.4 million to help more than 625 families. We have assisted others in achieving their dream of homeownership, and we'd like to have the opportunity to assist your community in providing affordable housing.

In many cases, the house payment is more than likely less than a rental payment, so why not "own your future!"

USDA Rural Development has been an important contributor in providing a better lifestyle for South Dakota's rural residents by making available better housing, modern water & wastewater systems and better community facilities.

I look forward to traveling around the state and meeting with communities to discuss opportunities available through USDA Rural Development.



Tim B. Potts

Please stop in at the Rapid City or Huron State Office or call me at (605) 342-0301 or (605) 352-1100.

USDA Rural Development is committed to the future of rural communities. Partnering to help the people of rural South Dakota develop sustainable communities is important to us.