



Virginia

Rural Development

2003 Annual Report

“Committed to the future of rural communities”

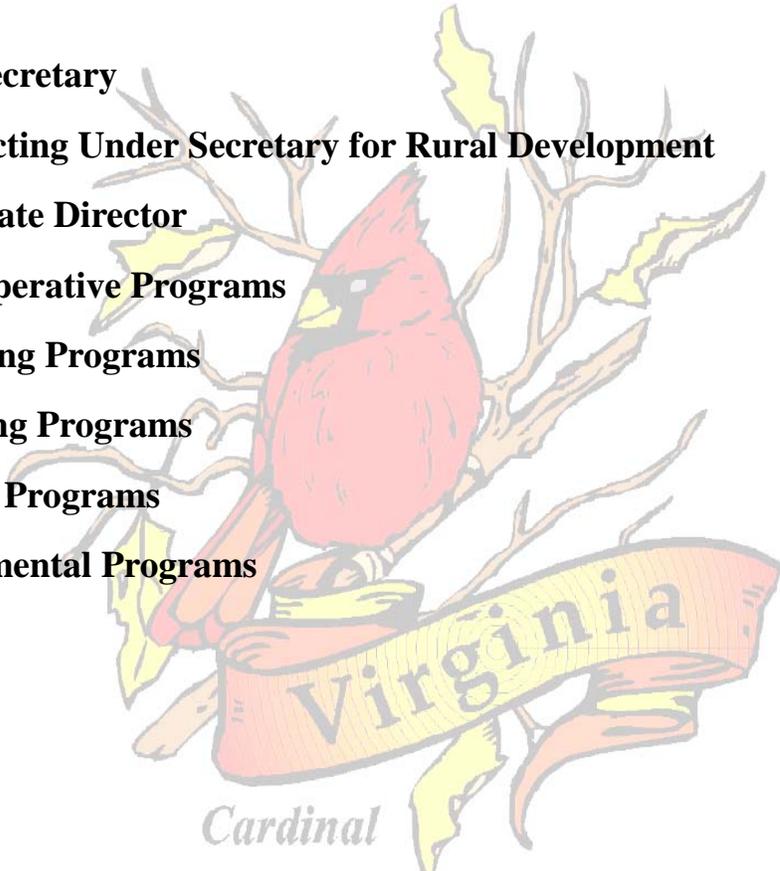


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Mission Statement

To enhance the ability of rural communities to develop, to grow and improve their quality of life by targeting financial and technical resources in areas of greatest need through activities of greatest potential.

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Ann Veneman, Secretary of Agriculture

The Bush Administration has made great strides in supporting investments in America's rural communities. From the successful implementation of The 2002 Farm Bill, to passage of The Healthy Forest Restoration Act, President Bush's policies are helping to strengthen the economic health of rural America.

In 2003, we saw a record net cash farm income, which is expected to total \$65 million (up 33% over 2002), and strong exports which are expected to reach \$56.2 billion for 2003. The demand for farm products are being spurred by the President's tax cuts, low interests rates, inflation, and decline in the value of the dollar. Expanding payrolls and declining unemployment in the coming year are expected to further accelerate food demands.



The programs being funded by USDA's Rural Development are also fueling this growth. Through USDA's Rural Development programs, it is estimated that over 510,000 jobs have been created or saved since the beginning of the Bush Administration. USDA has invested nearly \$2.5 billion for rural business development in the form of loans, grants, and technical assistance.

We are also working with local communities to build and strengthen economic development partnerships with state and local governments. Some \$183 million has been invested in Empowerment Zones and Enterprise Communities (EZ/ECs). This investment is complemented by the leveraging of USDA funds to help attract \$422 million in other federal investments and \$739 million in non-federal investments to EZ/ECs and other supported communities.

To improve economic and community development opportunities in underserved rural areas, the Administration has entered into an agreement with 20 National Centers of Excellence and Historically Black Colleges and Universities to advance business development through improved information technologies and entrepreneurial skills training.

Major investments have been made in developing value-added industries, with a focus on promoting renewable energy. Over \$35 million has been provided to support the development and marketing of renewable energy and the creation of energy efficient systems in rural areas.

Rural infrastructures, such as education, health care, telecommunications, water treatment, and community facilities have been supported by more than \$13 billion in grants and loans. More than \$10.2 billion has been invested in rural housing, much of which supports the President's ambitious goal to increase minority homeownership by 5.5 million by 2010.

As we look to the future, we remain dedicated to ensuring that investments in rural Virginia continue to bring new economic opportunities and an improved quality of life to rural families and communities.

Gilbert Gonzalez, Acting Under Secretary for Rural Development



Citizens and community leaders throughout rural America share a common desire to bring economic opportunity and an improved quality of life to their community. There is a remarkable cohesiveness amongst rural citizens that allows the energy and enthusiasm of local citizens to harness the resources needed to bring solutions to economic and social issues facing their community.

As rural America's venture capital bank, USDA Rural Development seeks to support local efforts by providing financing to create housing, business development, technology, and community infrastructures and essential community facilities. Over the last year, the Bush Administration through USDA Rural Development has provided over \$13 billion in capital financing to assist rural citizens and communities invest in their future.

USDA Rural Development capital investments in FY2003 include; assisting over 43,000 families realize their dream of homeownership; assisting over 100 rural agri-businesses with financing of energy efficiency and renewable energy systems that support energy independence for America and that supports President Bush's national energy plan; assisting with the financing of over 12,000 business ventures to create or save nearly 90,000 jobs, and assisting with financing of community infrastructures and facilities that will benefit an estimated 7 million rural citizens. In total, over 350,000 jobs are expected to be created or saved as a result of the financing provided by USDA Rural Development.

USDA Rural Development has a dedicated team of professionals with over 40 financial and technical assistance programs available to assist rural communities improve their economic opportunities and an improved quality of life. I encourage you to contact our staff in Virginia to learn more about ways that the USDA Rural Development can be of assistance to you and your community.

Joe Newbill, Virginia State Director



USDA Rural Development in Virginia completed another successful fiscal year in 2003. Following last years injection of over \$250 million into the Commonwealth's rural economy, the 133 employees of Rural Development obligated nearly \$250 million, once again.

Rural Development plays a key role in assuring that Virginia rural citizens avail themselves of the same amenities common in urban areas. This years accomplishments range from providing safe, clean drinking water and properly disposing of waste water, to providing affordable housing through apartment rehabilitation and single family housing development for rural families. We have financed construction of essential community facilities like child care centers, medical clinics and equipment, tribal museums, educational facilities, and public services such as libraries. Rural Development's low interest loans with long amortization periods supplemented by grant assistance make it possible for less densely populated areas to afford these facilities.

We take pride in assisting communities to bring to fruition the capital development priorities they set for their citizens, thereby improving the quality of life for rural Virginians. We are committed to the future of rural communities.

Contributing To The Prosperity of Rural Communities...

Rural Development is dedicated to enhancing new business opportunities, and assisting existing businesses in rural communities. This year's investment of more than \$18 million helped to finance and/or expand businesses involved in manufacturing, special events, lodging, food services, retail services, employment and training services, infrastructure and cooperative development, and technical assistance for business development.

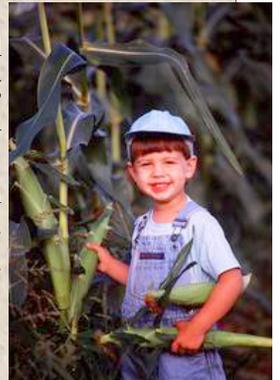
Rural Business-Cooperative Program 2002 Funding	
Program	Total Funds
Business and Industry Loan	\$16,062,739
Business Enterprise Grant	\$965,390
Business Opportunity Grant	\$50,000
Cooperative Development Grant	\$349,800
Value-Added Product Market Development Grant	\$308,900
State Total Funds	\$18,236,829

Alternatives for Agricultural Producers

Throughout the history of Virginia, agricultural producers have remained dedicated to providing safe and marketable products to Virginians and sustaining income for their families. The agricultural producer has certainly been faced with a number of challenges brought on by severe drought conditions, the threat of various diseases and the elimination of the peanut quota.

Agricultural producers can feel relieved with the programs and services of Rural Development, through its Rural Business-Cooperative Programs division, which provides assistance in building sustainable agricultural processing businesses or by offering technical assistance and opportunities in searching for other avenues to supplement farm income.

The Virginia Farm Bureau Federation and the Green Virginia Ethanol projects received Value Added Agricultural Product Market Development Grants to assist in implementing feasibility studies on ethanol production in Virginia. Locating an ethanol facility in a corn deficit state such as Virginia offers unique investment opportunities for the corn producer. These grants in the amount of \$44,750 and \$211,650 respectively provide producers with an opportunity to increase income streams as well as adding value to a commodity. The everlasting effects of these studies have the potential of increasing income for the 5,000 corn producers in Virginia.



Creating New Business Opportunities in Rural Virginia...

Creating New Jobs And Economic Development Through Major Business Expansion!

Located near Winchester, Virginia, Allied Systems Corporation and Annandale Millworks Corporation are a combined manufacturer and distributor of windows, doors, moldings, pre-fabricated wall panels, floor systems, and roof systems to residential, commercial and large tract builders in the Northern Virginia-Washington DC Metropolitan region.



Rural Development has been involved as a lending partner for several years. In 1999, a \$2,450,000 guaranteed loan was provided to restructure existing debt and acquire a nearby roof truss production facility. This loan saved over 40 jobs as well as creating over 20 new positions. By 2002, the companies combined sales averaged nearly \$30 million annually, and provided full-time employment to 175 people.

In 2003, the agency along with UPS Capital Business Credit was pleased to assist Allied Systems and Annandale Millworks for yet another major business venture. A \$9,150,000 guaranteed loan was provided for a new office building, a manufacturing and storage facility, and infrastructure development. Upon completion of the new facilities, it is anticipated that 45 more jobs will be created, bringing the companies total employment to 225 people. Robert Frogale, Annandale Systems Corporation President and co-owner stated, “the new guaranteed loan will be instrumental in assisting the company to achieve the \$50 million annual sales level.”

Revitalization Of Small Business Development In The Town of Broadway!

With its distinctive mix of locally owned businesses and residences, the Town of Broadway, located in Rockingham County, has a remarkable heritage. Though the downtown area has businesses, much of the social life that inherently brings in new consumers has disappeared, and resulted in businesses being lost to the development of small strip malls and large shopping centers.

Business leaders, community officials and local government continue to see the importance of restoring lost businesses, increasing economic growth and preventing social leakage. As a result, the Broadway Hometown Partnership (BHP) was formed to revitalize the downtown community.

To assist in this initiative Rural Development provided a \$65,000 Rural Business Enterprise Grant (RBEG). The RBEG will aid in the implementation of a marketing program, public relations, advertising and other promotional programs to assist small and emerging business located or locating in the Town of Broadway. This financial support will help BHP to obtain their goals of creating a viable social and economic downtown and Main Street area with a hometown atmosphere. According to Timothy Reamer of BHP, “Main Street is the heart and soul of small towns across America, where people come to shop and socialize.”



The success of BHP has been the result of a wonderful collaboration of the business community and local government. This effort has created 11 new businesses, 37 new jobs, a 41% increase in gross business revenues, and the return of the townspeople to shop, dine and enjoy their town. BHP’s commitment to revitalizing their community will mean one small town in Virginia will be there for generations to come.

*The American Dream Can Come True...
Through Our Single Family Housing Program*



Through this year's investment of \$108 million, 1362 households in rural Virginia were successful in buying, building, or repairing their own homes. Virginia's Single Family Housing program is dedicated to making the American Dream come true for rural Virginians.

Single Family Housing Program		
Program	Families Assisted	Total Funds
502 Direct	303	\$26,553,000
502 Guaranteed	735	\$79,800,000
504 Repair	324	\$1,647,000
State Total	1362	\$108,000,000

Section 502 Guaranteed Rural Housing Program

This program was authorized by Congress in 1990 to assist homebuyers who cannot qualify under the Section 502 Direct Loan Program. Typically, these homebuyers have income considered moderate for their family size (115% of median income) but have been unable to save for a down payment that is required for other mortgage programs. The GRH program is unique because homebuyers are not required to make a cash contribution in the form of a down payment or closing costs. Another unique feature of the program is that the loan can be made for up to the appraised value of the property. If the property appraises for more than the purchase price, the loan amount can include the purchase price plus loan closing costs. In many cases, loans are closed with no cash contributions from the borrower. Additionally, the GRH program typically has more affordable payments than other high loan-to-value products since borrowers are not required to pay private mortgage insurance.

Since 1991, over 5000 Virginians have received a loan guarantee to purchase or construct their homes. In fiscal year 2003, 735 families received loan guarantees in the amount of \$79.8 million. 472 of the 735 families purchased properties in Special Outreach Areas. Special Outreach Areas are designated by Rural Development as rural counties not associated with a Metropolitan Statistical Area. Consequently, \$44.9 million was made available to the local rural economies to help sustain and improve housing in truly rural communities.

Home Sweet Home....



A Dream Come True for One Rural Citizen!

Ms. Rosa Coles is one of the 300 families in Virginia who achieved the American dream of homeownership as a result of the funding available through the Section 502 Single Family Housing Direct Loan program. Ms. Coles discovered the Rural Development Single Family Housing Loan program when she began shopping for her new home. Shelia Wolfe, of Virginia Carolina Mobile Homes, referred Ms. Coles to the Boydton Rural Development office. Ms. Coles has been employed by a local hospital for seven years but she was unable to save the necessary funds for a minimum down payment and loan closing costs.

Rural Development staff, working in cooperation with the Telemon Corporation and Virginia Carolina Mobile Homes, helped Ms. Coles navigate the home buying process successfully. She received a loan in the amount of \$60,126 from Rural Development to finance the construction of her new home. Her loan is for 33 years and the interest rate is fixed for the life of the loan. She receives payment assistance to make her house payment affordable in relation to her household income. The amount of her adjusted monthly installment is approximately 30% of her monthly income. Ms. Coles can build equity faster when compared to other affordable housing loan programs because she is not required to pay private mortgage insurance.

She also received a forgivable loan in the amount of \$6,600 from the Telemon Corporation to cover her closing cost and assist with the purchase. If Ms. Coles does not sell the property within 15 years, she will not have to repay the Telemon loan. Telemon receives these forgivable loan funds through the Housing Opportunity Made Equal (HOME) program.

“I was always hoping to have a new home someday, now I know it’s real. I think it is beautiful. I’ve got three bedrooms, a nice sized den, a kitchen, and a dining room. I’ve got plenty of space and it’s wonderful,” stated Ms. Coles.



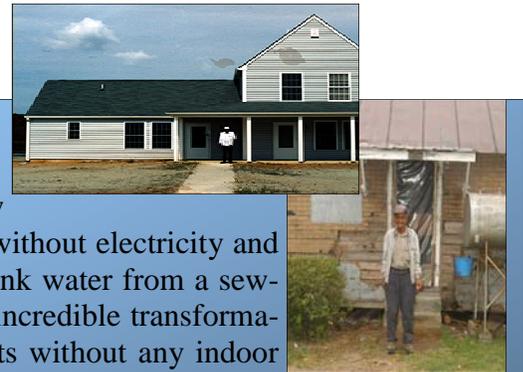
Ms. Wolfe stated, “Rural Development is making it possible for people like Rosa to be able to afford a house. They’ve got money to loan and there are people in the area that need it.”

HOUSING

Improving The Lives of Rural Virginians... Through Our Multi Family Housing Program

1606 individuals or families were afforded decent, safe, and sanitary housing in 2003 through Virginia's Multi Family Housing Program.

Multi Family Housing Program		
Program	Families Assisted	Total Funds
Section 515 New Construction	48	\$1,683,000
Section 515 Rehab/Repair	148	\$2,033,000
Section 515 Prepayment/Equity	72	\$445,596
Section 521 Rental Assistance	1,330	\$19,721,047
Section 523 Housing Preservation Grants	8	\$221,884
State Total Funds	1,606	\$24,104,527



New Lease On Life For Bayview Citizens!

Northampton is one of the poorest counties in Virginia, and Bayview is one of the poorest communities in the country. Many citizens are without electricity and indoor plumbing. The residents of Bayview washed, bathed, and drank water from a sewage tainted well. "The Bayview Rural Village project represents an incredible transformation for this community. "The dilapidated, substandard housing units without any indoor plumbing will soon be a distant memory. In their place will be new, safe, and affordable homes, with clean and safe drinking water for the families in Bayview," said Governor Mark Warner. Alice Coles, founder of Bayview Citizens for Social Justice, Inc. stated, "I feel like jumping and shouting for joy. We have made history."

The Bayview Village Apartments, was completed in fall of 2003. This development consists of 14 wood framed residential buildings (4 triplexes and 10 duplexes) with a total of 32 units constructed on two lots totaling 3.03 acres. The property received \$2,321,000 of Rural Development Section 515 funds; Rental Assistance Section 521 funds in the amount of \$435,200 to cover all 32 units; along with other leveraged funding from various agencies totaling \$4,995,900. The property located in Northampton County provides housing needs for very-low and low-income tenants.



Alice Coles founder of Bayview Citizens for Social Justice, Inc.



Section 521 Rental Assistance

The Section 521 Rental Assistance program provides aid to low and very low-income families and elderly. It is designed to prevent tenants from paying over 30 percent of their adjusted annual income for rent and utility expenses. This year Virginia obligated \$19,721,047 in new construction and renewal/replacement units. Funds were distributed to 1,330 elderly and family units throughout the state.

Rehabilitation Loans

Rehabilitation Loans totaling \$2,033,000 were awarded to 4 properties to address handicap accessibility requirements and to improve and/or repair existing properties: College Green I Apartments located in Richmond County; Windsor Associates Apartments located in Isle of Wight; Courtland III Apartments located in Southampton County and Waverly Apartments located in Sussex County.

Housing Preservation Grant

The Housing Preservation Grant (HPG) Program is used to renovate deteriorating homes and rental properties occupied by families with incomes in the low and very low categories. Applicants must be a nonprofit organization, local government, or a Native American tribe authorized to receive and administer HPG funds. Grantees may receive blocks of funds to be spent in a specific geographic area, not only helping individuals to better their homes, but possibly to revitalize an entire community.

Virginia awarded People Incorporated of Southwest VA, a total of \$221,884 to repair and modernize houses for 8 very low income families in the Tin Bridge section of Washington County. The renovations will be completed in a 1-year period.

Special Salute To Site Manager Awardees!

Rural Development's Site Manager of The Year Award for a Family Property in Virginia was awarded to Ms. Brenda Witcher of Martins II Landing Apartments located in Martinsville, Virginia. Ms. Witcher has been the site manager for three years. She was recognized for her compassion, efficiency, and prompt responsiveness to the tenants needs and concerns. Ms. Witcher also received the award for The National Site Manager of The Year for A Family Property. She was honored at a luncheon in Washington D.C.

Rural Development's Site Manager of The Year Award for an Elderly Property in Virginia was presented to Ms. Che're Martin, of Martins Landing I Apartments also in Martinsville, Virginia. Ms. Martin has served as site manager for six years. She was honored for her enthusiasm, care, and genuine concern for all tenants and for maintaining the property in an exceptional manner.



Continually Striving To Be The Best...

This year's investments totaled more than \$19 million. Virginia continues to rank within the top 10 percent in the nation for loan and grant programs that provide facilities for public services, public safety, health care, and telecommunications.

Community Facilities Programs	
Program	Total Funds
Direct Loan	\$11,152,700
Guaranteed Loan	\$6,725,000
Grant	\$1,078,500
Economic Impact Grant	\$642,625
State Total Funds	\$19,598,825

New Computer System For Cumberland County Public Library!

Long library check out lines and hours of leafing through hundreds of index cards is a thing of the past for Cumberland County Public Library. Rural Development provided a grant of \$8,250 to help the library purchase an automated filing and cataloging system. The computerized system will benefit both workers and patrons alike. The new system will make it easier to search, check out, renew, and reserve books.



According to librarian Ms. Ann Kinsey, “the new system will help to alleviate human error by catching simple circulation or overdue miscalculations that easily go unnoticed and save so many man-hours for the staff as well as the public. As a result of the new computerized system, library personnel will be able to devote more time to fulfilling its role to the community as a service organization, by providing additional assistance to patrons and additional programs to the community”.



According to Fifth District Congressman Virgil Goode, “This grant will greatly assist them with their daily operations.”

Contributions To Our Native American Heritage!

Finally, after years of operating out of a house that was built around the turn of the century with inadequate plumbing, heating, and wiring, Rural Development and the Department of Housing and Community Development (DHCD) were there to assist the High Plains Indian Tribe. The agency approved a Community Facilities loan for \$113,800 and a grant for \$30,000 along with another \$100,000 grant from DHCD to purchase and equip a tribal center in Virgilina, Virginia.

The facility will include a tribal office, cultural center, and museum. Tribal members will now be afforded an adequate office, meeting facilities, and museum to enrich the public on the history of the High Plains Indians.

Chief Otis K. Martin had this to say, “Purchasing this property has been a dream come true for our tribe. Without the help from the USDA Rural Development and the community, this project would not have been possible. We finally have a place we can serve our people and community. Our goal is to be able to provide economic development opportunities to our tribal members. This project has the potential to help not only our tribe, but our neighboring tribes and surrounding communities. We have been very blessed with this opportunity.”



UTILITIES

Dedicated To Providing Virginians With A Safer Environment...



This year's investment of over \$35 million provided rural Virginians with safe drinking water as well as improvements and expansions to wastewater facilities.

Water & Environmental Programs	
Program	Total Funds
Direct Loan	\$17,314,840
Grant	\$16,538,500
Emergency Water Grant	\$1,500,000
Predevelopment Planning Grant	\$111,000
State Total	\$35,464,340





Reliable Water System for Dickenson County!

With a median household income below the poverty level and an unemployment rate exceeding the State average, Dickenson County, Virginia, is faced with many challenges. In the Big Caney area of the County, one challenge that has seemed insurmountable is the existing water system, which is in deplorable condition. With the experience of the Dickenson County Public Service Authority (PSA) and financial assistance from Rural Development, this challenge will now be conquered.



Big Caney Water System

The Big Caney water system serves approximately 1,950 households. The existing storage facilities are inadequate, lines are old and undersized, and line ruptures are almost a daily occurrence. With a low interest loan of \$536,800 and a grant of \$1,546,200 from Rural Development, the PSA will begin the undertaking of much needed improvements to the system. Mr. Leman Kendrick, Thompson + Litton project engineer, stated: "The Big Caney system is currently overworked due to poor accountability. It is a regular occurrence for customers to be out of water service for hours at a time due to line breaks and other problems. With the help of Rural Development and other funding agencies, these customers will have reliable water service."

New Public Sewer System for Residents of Washington District

Residents in the Washington District of Westmoreland County are currently served by individual septic tanks and drain fields. Within recent years, several of these individual systems have failed, and due to poor soil conditions, permits for new wells and septic tanks are almost impossible to obtain. Without a septic tank, residents face many obstacles. For instance, a number of residents who are unable to obtain permits for wells must haul water to drink and perform daily tasks such as cooking and bathing. Without a septic tank, there is no drain; therefore, residents must then haul the dirty water to a ditch for disposal.

With financial assistance from Rural Development, Westmoreland County will now be able to provide these residents with a public sewer system. Rural Development provided the County with a low-interest loan of \$1,174,000 and a grant of \$3,251,500 for the construction of a vacuum sewer system which will serve approximately 500 households. Mr. Norm Risavi, Westmoreland County Administrator, states, "This project has been in the making for a very long time. Because of intergovernmental cooperation and participation, the project will finally be brought to fruition."



Future Site of Washington District's Sewer System

Bringing Communities Closer Together...



Distance Learning and Telemedicine

Funding through the DLT program is used to purchase hardware and software equipment that allows rural schools and health care centers to communicate and consult with educational and medical experts from outside their area. One grant totaling \$186,350 provided financial assistance to the following institution to provide greater health care services to the counties of Bedford, Botetourt, Franklin, Giles, and Roanoke.

Electricity

More than \$36 million was provided to five electric cooperatives that supply affordable electric service to rural customers.

Electric Program		Electric Program	
Program		Total Funds	
Loan			\$36,100,000
State Total Funds			\$36,100,000

Preserving Our Natural Resources...

Solid Waste Management, Technical Assistance And Training Programs

The objective of this program is to reduce or eliminate pollution of water resources by improving the planning and management of solid waste sites. Technical and training assistance is provided to identify and evaluate solutions to water and waste disposal problems in rural areas; improve operation and maintenance of existing water and waste disposal facilities; and assist applicants in applying for water and waste grants.

Five technical assistance and training grants were funded this year: Central Shenandoah Development Corporation—\$54,000, Cumberland Plateau Company - \$45,000, Mountain Empire Regional Business Incubator—\$48,000, New River Valley Development Corporation—\$72,200, and Water Systems Council - \$150,000. In addition, the Rural Community Assistance Program (RCAP), whose headquarters is located in Virginia, was the recipient of an \$850,000 solid waste management grant. RCAP will assist rural community leaders with the planning, management, and implementation of area-wide integrated solid waste plans in 24 target states.

Working Hand In Hand...

During these times of critical budget constraints, it becomes even more important that Rural Development partner with our communities, other agencies, and organizations to assist our customers. Rural Development would like to salute all our partners for their overwhelming contribution and dedication to improving the quality of life for Virginians.

Rural Development Salutes Our Partners!

The Virginia Department of Health

The Virginia Department of Housing and Community Development

The Virginia Housing Development Authority

The Southeast Rural Community Assistance Program

The Federation of Appalachian Housing Enterprises

Virginia Rural Water Association

***“Coming together is a beginning, staying together is progress,
and working together is success.”***

Henry Ford

Rural Business-Cooperative Programs

Business and Industry Guarantee Loan- Helps create jobs and stimulate rural economies by providing financial backing for rural businesses. This program guarantees up to 80 percent of a loan made by a commercial lender. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The primary purpose is to create and maintain employment and improve the economic climate in rural communities.

Intermediary Relending Program Loan- Finances business facilities and community development projects in rural areas, including cities with a population of less than 25,000. Rural Development lends these funds to intermediaries, which, in turn, provide loans to recipients who are developing business facilities or community development projects. Eligible intermediaries include public bodies, nonprofit corporations, Indian tribes, and cooperatives.

Rural Venture Capital Demonstration Program- Designates up to 10 community development venture capital organizations to demonstrate the usefulness of guarantees to attract increased investment in private business enterprises in rural areas. Such organizations shall establish a rural business private investment pool to make equity investments in rural private business enterprises. This program is available in rural areas (this includes all areas other than cities of more than 50,000 people and their immediately adjacent urban or urbanizing areas).

Rural Business Enterprise Grant- Helps public bodies, nonprofit corporations, and federally recognized Indian tribal groups finance and facilitate development of small and emerging private business enterprises located in rural areas (this includes all areas other than cities of more than 50,000 people and their immediately adjacent urban or urbanizing areas).

Rural Business Opportunity Grant- Funds provide technical assistance, training, and planning activities that improve economic conditions in rural areas. Applicants must be located in rural areas (this includes all areas other than cities of more than 50,000 people and their immediately adjacent urban or urbanizing areas). Nonprofit corporations and public bodies are eligible.

Rural Economic Development Loans and Grant- Finances economic development and job creation projects in rural areas based on sound economic plans. They are available to any Rural Utilities Service electric or telecommunications borrower to assist in developing rural areas from an economic standpoint, to create new job opportunities, and to help retain existing employment. Loans at zero-interest are made primarily to finance business startup ventures and business expansion projects. Grants are made to these telephone and electric utilities to establish revolving loan programs operated at the local level by the utility.

Value-Added Agricultural Product Market Development Grant- Eligible agricultural producers that enter into value-added activities may use these funds will be used to develop feasibility studies or business plans (including marketing plans or other planning activities) needed to establish a viable value-added marketing opportunity for an agricultural product; or acquire working capital to operate a value-added business venture or an alliance that will allow the producers to better compete in domestic and international markets. In order to provide program benefits to as many eligible applicants as possible, applications can only be for one or the other of these activities, but not both.

Cooperative Services- Helps rural residents form new cooperative businesses and improve the operations of existing cooperatives by providing technical assistance, conducting cooperative-related research, and producing information products to promote understanding of coop-

Multi-Family Housing Programs

Farm Labor Housing Loan and Grant- Provides capital financing for the development of housing for domestic farm laborers. Funds can be used to purchase a site or a leasehold interest in a site; to construct housing, day care facilities, or community rooms; to pay fees to purchase durable household furnishings; and to pay construction loan interest.

Rural Rental Housing- Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, state or local public agencies, consumer cooperatives, and profit or nonprofit corporations. Direct, competitive mortgage loans are made to provide affordable multi-family rental housing for very-low, low, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.

Housing Preservation Grant- Provides grants to sponsoring organizations for the repair or rehabilitation of low and very-low income housing. The grants are competitive and are made available in areas where there is a concentration of need. Those assisted must own very-low or low-income housing, either as homeowners, landlords, or members of a cooperative.

Guaranteed Rental Housing Program- Guarantees loans for development of multi-family housing facilities in rural areas. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing.

Rental Assistance Program- Provides an additional source of support for households with incomes too low to pay the subsidized (basic) rent from their own resources. Rural Development pays the owner of a multi-family housing complex the difference between the tenant's contribution (30 percent of adjusted income) and the monthly rental rate. Priority for RA is given to a project if a market study indicates the greatest percentage of prospective tenants need RA or if the area has the greatest housing need within the state and is selected for funding in accordance with the weighted criteria.

Single Family Housing Programs

Single Family Housing Loan Guarantee and Direct Loan- Section 502 loans are primarily used to help low-income individuals or households purchase homes in rural areas. It provides financing at reasonable rates and terms with no down payment. Mortgage payments are based on the household's adjusted income. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

Rural Housing Repair and Rehabilitation Loan- Funded directly by the government, these loans are available to very low-income rural residents who own and occupy a dwelling in need of repairs. Funds are available for repairs to improve or modernize a home, or to remove health and safety hazards.

Rural Housing Repair and Rehabilitation Grant- Funded directly by the government to dwelling owner/occupant who is 62 years of age or older. Funds may only be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities. The amount of the grant is based on the applicant's ability to repay and must be used in conjunction with Repair and Rehabilitation Loan.

Mutual Self Help Loan- Used primarily to help very low- and low-income households construct their own homes to achieve homeownership. The program is targeted to families who are unable to affordably buy housing through conventional methods. Families participating in a mutual self-help project perform a minimum 65 percent of the construction labor on each other's homes under qualified supervision. The savings from the reduction in labor costs allows otherwise ineligible families to own their homes.

Self Help Technical Assistance Grant- Provides financial assistance to nonprofit organizations that will provide technical and supervisory assistance to low and very-low income households to build their own homes in a rural area. Funds may be used to pay salaries, rent, and office expenses of the nonprofit organization.

Community Programs

Water and Environmental Program- Provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural communities of 10,000 or less. Public bodies, nonprofit organizations and recognized Indian tribes may qualify for assistance.

Technical Assistance and Training Grant- Provides technical assistance and training to nonprofits to assist rural communities of 10,000 or less with their water, wastewater, and solid waste problems.

Solid Waste Management Grant- Provides technical assistance and training to nonprofits to assist rural communities of 10,000 or less to reduce or eliminate pollution of water resources, and to improve planning and management of solid waste facilities.

Rural Water Circuit Rider Technical Assistance Grant- Provides on-site technical assistance to help assure cost-effective operation of rural water systems.

Community Facilities Program- Provides loans, grants and loan guarantees to develop essential community facilities in rural communities of 20,000 or less. Public bodies, nonprofit organizations and recognized Indian tribes may qualify for assistance.



Committed to the future of rural communities.

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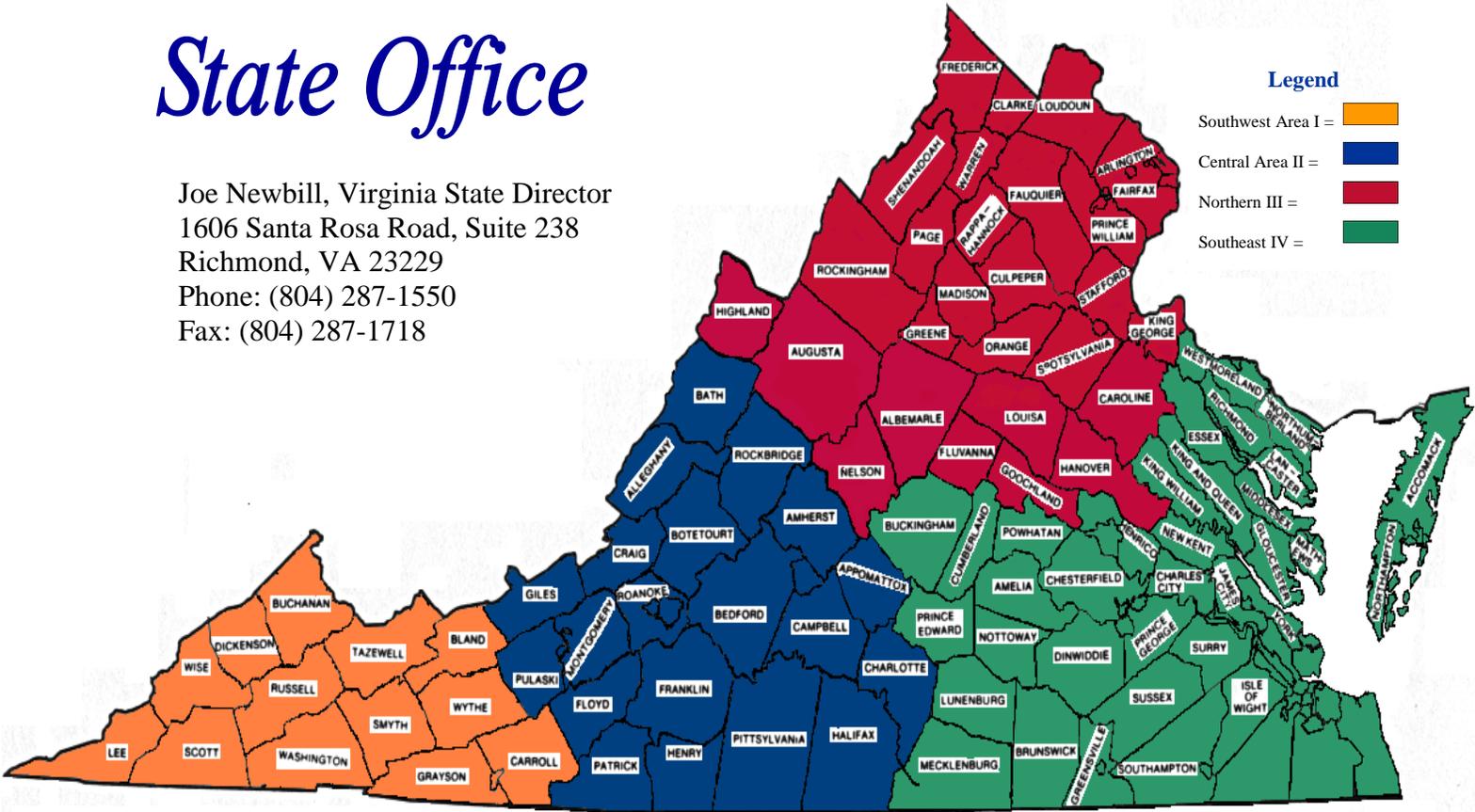
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OFFICE LOCATOR

State Office

Joe Newbill, Virginia State Director
 1606 Santa Rosa Road, Suite 238
 Richmond, VA 23229
 Phone: (804) 287-1550
 Fax: (804) 287-1718



Southwest Area 1

Location

Phone/Fax

LEBANON AREA OFFICE

383 Highland Dr., Suite G, Lebanon, VA 24266
 Sally Hamer, Area Director

(276) 889-4650
 (276) 889-2105

GATE CITY

95 US Hwy 23 S, Suite 1, Gate City, VA 24251
 Counties/Cities served: Lee, Norton, Scott, Wise

(540) 386-3951
 (540) 386-9051

LEBANON

383 Highland Dr., Suite 5, Lebanon, VA 24266
 Counties/Cities served: Buchanan, Dickenson, Russell, Tazewell

(276) 889-4650
 (272) 889-2105

WYTHEVILLE

100 USDA Drive, Wytheville, VA 24382
 Counties/Cities served: Bland, Bristol, Carroll, Galax, Grayson, Smyth, Washington, Wythe

(276) 228-3513
 (276) 228-2049

Central Area 2

Location

Phone/Fax

LYNCHBURG AREA OFFICE

20311-A Timberlake Road, P.O. Box 4337, Lynchburg, VA 24502
Travis Jackson, Area Director (Christiansburg)

(434) 239-3473
(434) 239-3735

CHRISTIANSBURG

75 Hampton Blvd., Christiansburg, VA 24073
Counties/Cities served: Craig, Floyd, Giles,
Montgomery, Pulaski, Radford, Roanoke, Salem

(540) 382-0267
(540) 381-5604

LEXINGTON

Magnolia Square, 35 Magnolia Square Lane, Suite 13, Lexington, VA 24450
Counties/Cities served: Alleghany, Botetourt, Covington, Bath, Buena Vista,
Lexington, Rockbridge

(540) 463-7124
(540) 463-5564

LYNCHBURG

20311-A Timberlake Rd., P.O. Box 4337, Lynchburg, VA 24502
Counties/Cities served: Amherst, Appomattox, Bedford, Campbell, Charlotte,
Danville, Pittsylvania

(434) 239-3473
(434) 239-3735

ROCKY MOUNT

1297 State Street, Rocky Mount, VA 24151
Counties/Cities served: Franklin, Henry, Martinsville, Patrick

(540) 483-5341
(540) 483-0006

Northern Area 3

Location

Phone/Fax

HARRISONBURG AREA OFFICE

1934 Deyerle Avenue, Suite D
Harrisonburg, VA 22801
Elizabeth Walker, Area Director

(540) 433-9126
(540) 432-1707

CHARLOTTESVILLE

695 Berkmar Ct., Suite 3, Charlottesville, VA 22901
Counties served: Albemarle, Fluvanna, Goochland, Greene, Louisa
Nelson

(434) 975-0047
(434) 975-0223

CULPEPER

351 Lakeside Avenue, Culpeper, VA 22701
Counties served: Culpeper, Fauquier, Orange, Madison, Rappahannock

(540) 825-4200
(540) 825-1655

FREDERICKSBURG

4805 Carr Drive, Jackson Square Office Park, Fredericksburg, VA 22408
Counties served: Arlington, Caroline, Fairfax, Falls Church, Fredericksburg,
Hanover, King George, Loudoun, Manassas, Prince William, Spotsylvania,

(540) 899-9492
(540) 899-2014

STEPHENS CITY

130 Carriebrook Drive, Stephens City, VA 22655
Counties/Cities served: Augusta, Clarke, Frederick, Harrisonburg, Highland, Page,
Rockingham, Shenandoah, Staunton, Warren, Waynesboro, Winchester

(540) 868-1130
(540) 868-1135

Southeast Area 4

Location

Phone/Fax

SUFFOLK AREA OFFICE

1548 Holland Road, Suffolk, VA 23434
Steven Bigelow, Area Director (Richmond)

(757) 539-9265
(757) 925-4750

ACCOMAC

22545 Center Parkway, Accomac, VA 23301
Counties served: Accomack, Northampton

(757) 787-3181
757) 787-8142

BOYDTON

1028 Madison Street, Boynton, VA 23917
Counties served: Mecklenburg, Brunswick

(434) 738-0300
(434) 738-0201

DINWIDDIE

13915 Boydton Plank Road, P.O. Box 279, Dinwiddie, VA 23841
Counties/Cities served: Charles City, Chesterfield, Colonial Heights, Dinwiddie, Henrico, Hopewell, James City, New Kent, Petersburg, Prince George, York

(804) 469-3311
(804) 469-5962

FARMVILLE

1100 C. Dominion Drive, Farmville, VA 23901
Counties/Cities served: Amelia, Buckingham, Cumberland, Lunenburg, Nottoway, Powhatan, Prince Edward

(434) 392-4906
(434) 392-4577

SMITHFIELD

203 Wimbledon Lane, Smithfield, VA 23430
Counties/Cities served: Emporia, Franklin, Greensville, Isle of Wight, Poquoson, Southampton, Surry, Sussex

(757) 357-7004
(757) 357-7798

TAPPAHANNOCK

772 Richmond Beach Road, Rappahannock Office Bldg, P.O. Box 700, Tappahannock, VA 22560
Counties served: Essex, Gloucester, King & Queen, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Westmoreland

(804) 443-4304
(804) 443-1375



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