

Appalachian Regional Development Initiative



Committed to the future of rural communities.

***Pikeville, Kentucky
May 24, 2011***

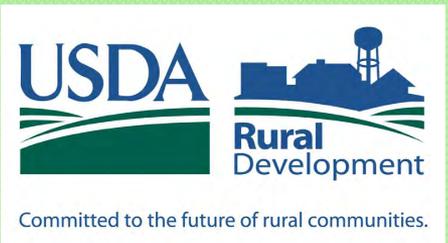
- USDA has the unique responsibility of coordinating Federal assistance to rural areas of the nation.
- Rural Development programs are delivered across three primary program areas:
 - Rural Housing Service
 - Rural Utilities Service
(Community Programs)
 - Rural Business and Cooperative Programs

Vision

A Rural America that is a Healthy, Safe & Prosperous Place to Live and Work.

Mission

To Increase Economic Opportunity and Improve the Quality of Life for all Rural Americans.

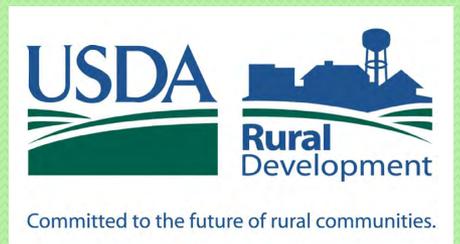


Each year, across the country, USDA Rural Development programs:

- Create or preserve tens of thousands of rural jobs
- Build and update rural infrastructure
- Create or improve more than 60,000 units of quality rural housing



- In Fiscal Year 2010, Rural Development invested more than \$42 billion in loans and grants to communities, businesses and individuals across rural America.
- Another \$21.2 billion was made available through The American Recovery and Reinvestment Act of 2009.



Rural Housing Service



- Provides homeownership opportunities to low- and moderate-income rural Americans through several loan, grant and loan guarantee programs
- Funding also available to individuals to finance vital improvements necessary to make their homes decent, safe and sanitary

502 Direct Loans

- Used to help low-income individuals or households purchase homes in rural areas
- Used to acquire, build (including funds to purchase and prepare sites and to provide water and sewage facilities), repair, renovate or relocate a home
- Eligibility is based upon income as it relates to the area median income and reasonable credit history



504 Housing Repair Program

- Provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards.
- Loan funds are available to those persons who are unable to obtain affordable credit elsewhere, have very low incomes (50 percent of the area median income)
- Grant funds only available to homeowners 62 years old or older and don't have the ability to repay a Section 504 loan



Rural Rental Housing and Rental Assistance



- Finance construction of rental housing for low- and moderate-income individuals and families, elderly or disabled persons
- Rental assistance enables low-income tenants to pay no more than 30 percent of their income for rent

Community Facilities

Direct Loans, Loan Guarantees and Grants



- Used to develop projects deemed essential community facilities for public use in rural areas and towns of up to 20,000 in population (hospitals, fire protection, public safety, libraries, schools, day care centers, etc.)
- Eligible entities include municipalities, counties and special-purpose districts, as well as non-profit and tribal governments

Rural Utilities Service

(Community Programs)

- Administers water and wastewater loan and grant programs to improve the quality of life and promote economic development in rural areas
- Electric Program makes loans and grants to finance the construction of electric distribution, transmission and generation facilities
- Telecommunications programs help promote state-of-the-art advanced telecommunications technologies

Water and Environmental Programs



- Direct loans offered to water and wastewater systems, including solid waste disposal storm drainage
- Eligible applicants include municipalities, counties, special-purpose districts and Indian tribes
- Maximum loan term – 40 years not to exceed useful life of the facility



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Electric Programs

- Assistance is offered through the following sources of financing assistance:
 - Federal Financial Bank (FFB) Guaranteed Loans
 - Hardship Loans
 - Treasury Rate Loans
 - Municipal Rate Loans



Telecommunications Program

- Distance Learning & Telemedicine Grant Program
 - Loans and grants to support advanced telecommunications technologies that provide enhanced learning and health care opportunities for rural residents



- “Community Connect” Grant
 - Grants to establish broadband service in rural communities not currently served
 - Must foster economic growth and deliver enhanced educational, health care and public safety services

Local Impact

- In Fiscal Year 2010, USDA Rural Development invested more than \$409 million in loans and grants to communities, businesses and individuals across rural West Virginia.
 - Utility programs assisted nearly 30,000 water and waste users
 - Community Facilities program provided assistance to 43 organizations/local government entities
 - Housing programs helped finance new or improved housing or provided rental assistance for more than 5,200 persons in rural WV
 - Business programs created 462 jobs and saved another 441; assisted 174 businesses in rural communities across WV

Application Tips

- Follow the application checklist
- Check maps to determine eligibility
- Explore opportunities to leverage funds
- Ensure activities are consistent with program guidelines
- Post-award issues: Reporting, Maintenance, Changes in Personnel, etc.

Common Mistakes/Problems

- Incomplete applications
- Failure to submit/obtain accurate financial information
- Applicant is not located/doesn't serve an eligible area
- Ineligible grant activities
- Post-award issues (e.g. reporting, maintenance, project sustainability)

Success Stories

- Community Facility Loan and Grant Funding Brings Early Head Start to Underserved Area
- Loan and Grants Fund Community Waterline Extension Project in Newburg Area
- Rural Development Celebrates National Homeownership Month in Randolph County, WV
- Charleston Area Medical Center Announces “Connect to Care” Project

USDA Rural Development

Through our more than 40 programs, USDA Rural Development strives to meet its mission to increase economic opportunity and improve the quality of life for all rural American's

“Every Day, Every Way!”



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