



# Overview of Loan and Grant Programs

Committed to the future of rural communities.

Rural Development programs improve the quality of life for people living in small, rural communities. We provide loans and grants to provide fresh water, sewer, and electrical system improvements or creation. We help low income families buy their first homes. We help developers provide low-income housing for the elderly and disabled. We work with small and emerging businesses to create and save jobs. We also provide technical assistance to community leaders who are working on plans to improve rural communities.

Our primary focus is to improve the economy and services. We work with community leaders at their request and at their pace. We are partners with the business community, including banks, mortgage brokers and other lenders.

In Georgia, USDA Rural Development staff delivers business, community facility, utilities and housing programs. A summary of our programs is provided below. All programs are for rural areas *only*. **To learn the details of each program, visit [www.rurdev.usda.gov/regs/](http://www.rurdev.usda.gov/regs/) and click on Instruction or Handbook (HB) and reference the number under each program.**

## Business – Cooperative Services Programs

**Business and Industry Guaranteed Loans (B&I)** – This program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program bolsters existing private credit by guaranteeing quality loans that provide lasting community benefits. Marginal or substandard loans or relief of lenders having such loans is *NOT* the purpose of this program. *Instruction 4279-B*

**Intermediary Relending Program (IRP)** — IRP loans finance business facilities and community development projects. Rural Development lends these funds (at 1% interest) to intermediaries, which in turn, provide low interest loans to ultimate recipients. Eligible intermediaries include public bodies, nonprofit corporations, credit unions, Indian tribes and cooperatives. *Instruction 4274-D*

**Rural Business Enterprise Grants (RBEG)** – Designed to help public bodies, non-profit corporations, and Federally recognized Indian tribal groups finance and facilitate development of small and emerging private businesses. Eligible projects may include acquisition and development of land, extension of utilities, and construction of buildings, plants, access roads and parking areas. Funds may also be used for the acquisition of equipment, loans for working capital or start-up operating costs, refinancing (under certain conditions), and fees for professional services. In addition, grant funds may be used to provide technical assistance and related training, financial assistance to third parties (revolving loan funds), and for rural distance learning programs that enhance marketable job skills. (*Note: privately owned for-profit businesses cannot apply directly for these funds.*) *Instruction 1942-G*

**Rural Economic Development Loans and Grants (REDLG)** – Available to eligible electric or telecommunications organization. Funds are to assist in economic development, to create job opportunities and to help retain existing employment. Loans at zero-interest are made primarily to finance business start-up 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. The revolving loan program aids rural development with needed capital (a) to non-profit entities and municipal organizations to finance community facilities which promote job creation, (b) for facilities which extend or improve medical care, and (c) for facilities which promote education and training to enhance marketable job skills. *Instruction 4280-A*

**Rural Business Opportunity Grants (RBOG)** – This program provides funds for technical assistance, training and planning activities that improve economic conditions in rural areas. Non-profit corporations, public bodies, Indian tribes and cooperatives are eligible. Rural Development is designing the program to promote sustainable economic development in Georgia's neediest areas. *Instruction 4284-G*

**Cooperative Services** – User-owned cooperatives process and market products, purchase production supplies or consumer goods, provide housing by credit, build and operate rural utilities and provide other needed services. By working together in cooperatives, residents are often able to reduce costs, obtain services that might otherwise be unavailable and achieve greater returns for their products. The Cooperative Service programs of Rural Development help residents form new cooperative businesses and improve the operations of existing cooperatives. To accomplish this, Cooperative Services assists in cooperative development, assists with technical matters, conducts cooperative-related research, and provides cooperative training programs and educational materials. *Instruction 4284*

**Rural Cooperative Development Grant Program** – These grants are for establishing and operating centers to improve the economy. Their purpose is to promote or enhance cooperatives. Non-profit institutions, including institutions of higher learning, are eligible applicants. Applications are solicited annually and scored according to defined selection criteria, including the proven ability to foster economic growth, to provide technical assistance, and to provide cooperative development to communities seriously impacted by economic downturns. *Instruction 4284-F*

**Value-Added Producer Grants (VAPG)** – Established in FY02, VAPG is designed to help producers earn more by processing the products they produce or marketing a specialty grown product. To qualify as a “value added” product, the original product must be changed in some way or grown in a way that enhances the products value. The applicant must be a producer or a producer owned and controlled business entity. Grant funds can be used for planning or for working capital. Grants of up to 50% of eligible costs are available. *Instruction 4284-J*

**Renewable Energy for America Program** - Grant funds can be used to pay up to 25% of eligible costs for energy efficiency improvements i.e. insulation or new equipment, or to produce a renewable energy i.e. solar, biomass boilers or renewable fuels. Total loan and grant funding for FY2009 is \$60 million. Loans of up to \$25 million or 75% of project costs, whichever is less, can be obtained. Funds are also available for feasibility studies for renewable or efficiency projects. *Instruction 4280-B*

## Community Programs

**Water, Wastewater, and Solid Waste Systems** – This is a loan and grant program that provides funds for small municipal and rural water, wastewater, and solid waste systems to public bodies and non-profit corporations in areas not larger than 10,000 population. To qualify, applicants must be unable to obtain the financing from other sources and/or their own resources at rates and terms they can afford. Funds can be used for construction, land acquisition, legal fees, engineering fees, interest, equipment, initial operation and maintenance costs, and project contingencies. Grants are used to supplement direct loans for the purpose of reducing user rates to a reasonable level when compared to comparable systems. Grant funds are available to rural communities having a very low Median Household Income (M.H.I.), normally classified as being in a persistent poverty area (county). [www.usda.gov/rus/water/regs.htm](http://www.usda.gov/rus/water/regs.htm): *Instruction 1780*

**Distance Learning and Telemedicine** – This program makes telecommunications, computer networks and related advanced technologies available to provide educational and medical benefits. This is part of the “information superhighway” in rural America.\*

**Community Facility Programs** – Loans are available to public bodies and non-profit corporations in areas not larger than 20,000 populations for essential community facilities, including medical facilities, police and fire stations, schools and child care centers. To qualify, applicants must be unable to obtain the financing from other sources and/or their own resources at rates and terms they can afford. Funds may be used for construction, land acquisition, legal fees, engineering fees, interest, equipment, initial operation and maintenance costs and project contingencies. Grant funds are available on a very limited basis. Projects that will receive the highest priority for grant assistance are those that serve small communities with a population of 5,000 or less. *Instruction 1942-A, 3570-B (grants) and 3575-A (guaranteed)*

**Technical Assistance and Training Grant (TAT)/Solid Waste Management Grant (SWM) Program** – TAT grants are available to identify and evaluate solutions to water and waste disposal problems in rural areas. SWM grants are available to reduce or eliminate pollution of water resources and for improving the planning and management of solid waste sites. Eligible entities are private non-profit organizations that have been granted tax exempt status by the Internal Revenue Service. Applications should be filed between October 1 and December 31 of each fiscal year. [www.usda.gov/rus/water/regs.htm](http://www.usda.gov/rus/water/regs.htm): *Instruction 1775*.

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**Rural Community Development Initiative Grant (RCDI)** – RCDI grants are available to qualified private and public intermediary organizations proposing to carry out a program of technical assistance. Funds will be used solely to develop the ability of private, nonprofit, community-based housing and community development organizations and low-income rural communities to undertake projects to improve housing, community facilities, community and economic development projects in rural areas.\*

**Rural Broadband Loan Program**– Three types of loans are available to fund the cost of construction, improvement, or acquisition of facilities and equipment required to provide broadband service to eligible rural communities. Grant funds are available periodically under the Community Connect Program. Individuals or partnerships of individuals are not eligible.\*

*\*Funding levels and application requirements are announced annually in the Federal Register for DLT, RCDI and Broadband loans.*

## Multi-Family Housing Programs

**Rural Rental Housing (Section 515) Loans** – Section 515 loans are for building, purchasing or repairing rental housing, usually duplexes, garden-type or similar multi-unit dwellings. Development of these multi-family living quarters is for people with very low, low and moderate incomes and for people 62 and older, or people of any age with disabilities. All loans are subsidized. Applications can only be accepted in designated places announced each year. *HB-1-3560*

**Farm Labor Housing Loans(Section 514) and Grants (Section 516)** – This program provides decent housing for domestic farm laborers, both migrant and year-round, and their families. Loans can be made to farmers, family farm partnerships, public bodies and non-profit organizations to build, buy, improve or repair farm labor housing and related facilities. Grants can be made to non-profits and public bodies. *HB-1-3560*

**Rental Assistance (Section 521) Program** – Section 521 reduces the rent and utilities paid by very low and low income residents of Rural Rental Housing and Farm Labor Housing complexes to 30% of their monthly adjusted income. Rental Assistance can only be used in conjunction with section 514 and 515 loans and 516 grants. *HB-2-3560*

**Housing Preservation Grants (Section 533)** – Grant funds are provided to qualified public non-profits and public agencies to rehabilitate individual housing and rental properties owned and/or occupied by very low and low income rural families. Grantees provide eligible homeowners or owners of rental properties low interest loans or grants to repair their housing. *Instruction 1944-N*

**Guaranteed Rental Housing (Section 538) Loans** – The purpose is to serve the housing needs of rural families of low and moderate income in partnership with public and private lenders. The program is designed to complement other affordable housing programs serving lower income families. When used in conjunction with low income housing tax credits, the loan can also help provide housing for very low to low income families. *HB-1-3565*

*Funding levels and application requirements for the section 514, 515, 516, 533 and 538 programs are announced annually in the Federal Register.*

## Single Family Housing Programs

**Home Ownership Loans** – This program offers two types of homeownership loans: guaranteed and direct loans. The purpose is to provide financing - with no down payment and at favorable rates and terms - either through a direct loan with USDA, Rural Development or with a loan from a private lender which is guaranteed by USDA, Rural Development. These loans are for the purchase, construction or rehabilitation of a dwelling and related facilities for low- or moderate-income rural persons. *Instruction 1980-D; 7CFR & HB-1-3550*

**504 Repair Loans and Grants** – Funds are available to very-low income rural homeowners for repairs or renovations to their present home. Grant funds are made available only to very-low income homeowners, 62 years of age or older, to remove health and/ or safety hazards from their dwellings, if the applicant does not have repayment ability for the 504 one (1%) percent loans. *7CFR & HB-1-3550*

**Self-Help Housing** – Any small group of low-income families may qualify to participate in this program, which allows them to build sweat equity by helping to construct the house while lowering the amount of their home loan. Individual houses are built by the families who will live in the dwellings and under the supervision of a construction professional. The families must agree to work together until all the homes are finished. The family must be able to repay a loan for the cost of the house. Technical Assistance Grants are made to non-profits to pay for technical assistance and construction supervisors to oversee self-help projects. *Instruction 1944-I*

**Site Loans** – These loans buy adequate building sites for development of a desirable community by private or public non-profits. *Instruction 440.8*

## Special Initiatives

### Empowerment Zones and Enterprise Communities (EZ/EC)

This initiative addresses severe poverty through a comprehensive approach to community development in rural areas. An EZ designation is a 10-year plan to create a sustainable community by providing seed money to implement a locally generated strategic plan. ECs get priority points when they apply for funding and technical assistance in creating a strategic plan.

### Champion Communities

Champion Communities are those that have competed for EZ designation and were not selected. They receive higher priority when applying for federal dollars and receive special technical assistance.

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**Georgia State Office 706-546-2162**  
**<http://www.rurdev.usda.gov/ga>**



### Area Offices

Cartersville (Area 1)	770-386-3393
Monroe (Area 2)	770-267-1413, ext. 4
Ft. Valley (Area 3)	478-827-0016, ext. 4
Sandersville (Area 4)	478-552-0901, ext. 4
Tifton (Area 5)	229-382-0273
Baxley (Area 6)	912-367-3603

For information on programs administered out of the National Office, consult the USDA website at <http://www.usda.gov>

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*Revised September 2009*