




USDA Rural Development Programs Overview

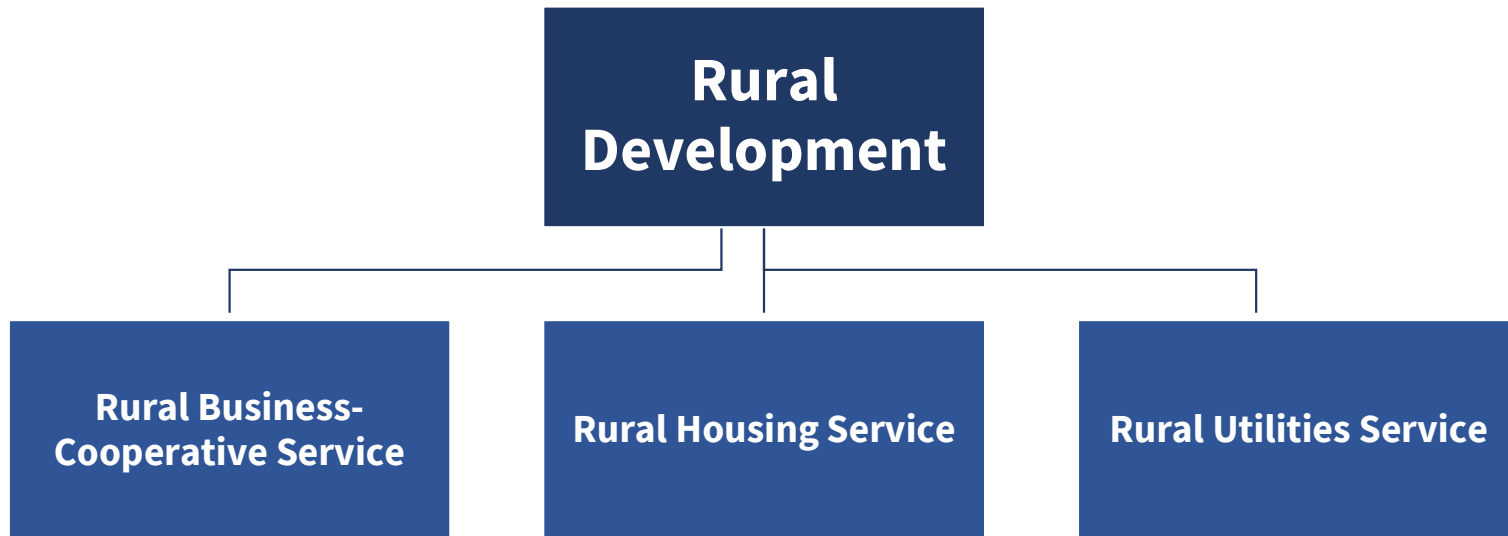
 **Rural Development**
U.S. DEPARTMENT OF AGRICULTURE

Tony Matlock

Overview

- Introductions
 - Organizational Structure
 - Types and Cycles of Funding
 - Highlighted RD Programs
 - Q&A
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3 Agencies – *One* RD



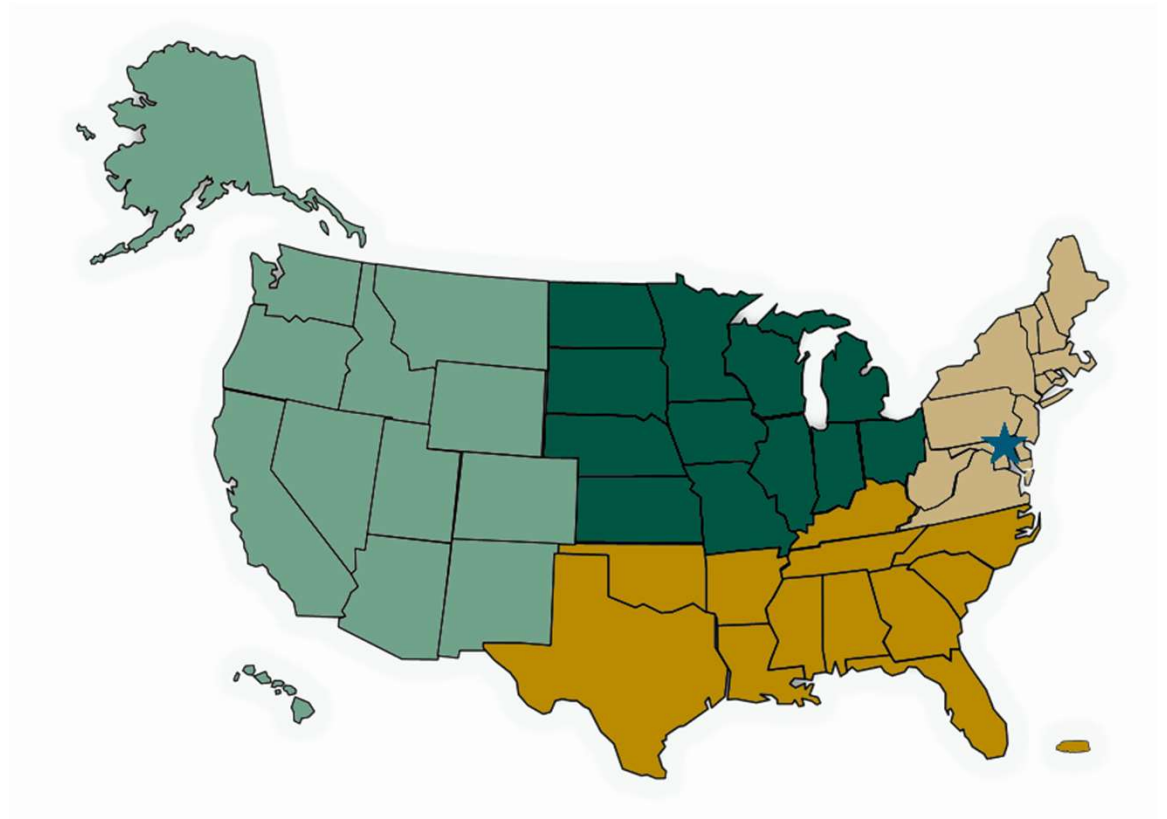
Rural Development Structure

4 Regions

47 State Offices

400 Area Offices

1 National Office in DC

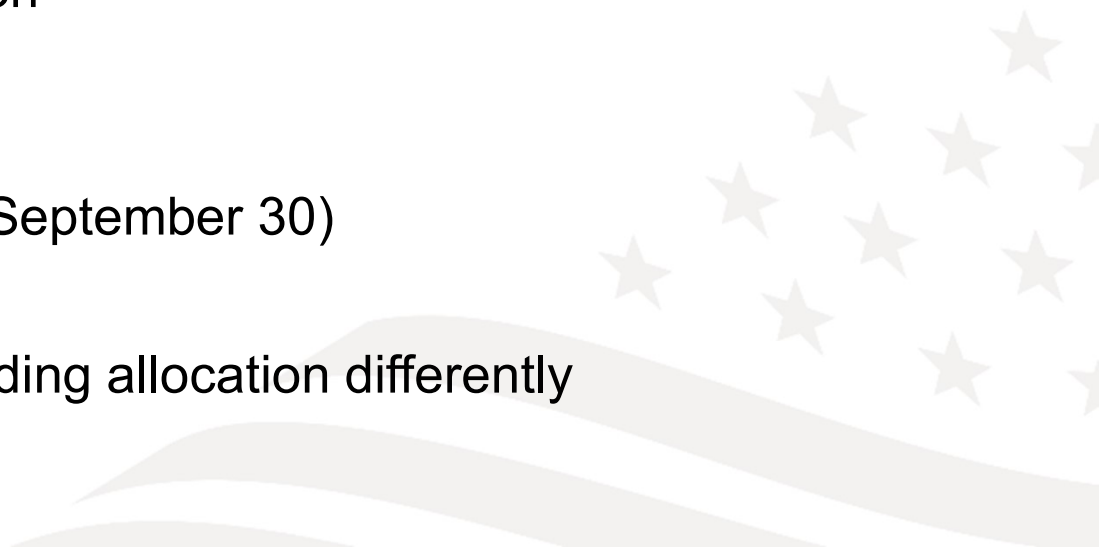


Types of Funding and Funding Cycles

Types of Funding

- Primarily Loans - Direct & Loan Guarantees
- Grants are Great,... and **Limited!**
- Depends on the Program and Allocation

Funding Cycles

- Operate on Fiscal Year (October 1 – September 30)
 - Funding depends on budget
 - Programs & State Offices receive funding allocation differently
 - Pooling of funds and reallocation
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Highlighting RD Programs for Tribal Communities

Rural Housing Service (RHS) Programs (excluding 502, 504 and HPG)

- Rental Housing in Tribal Communities
- Providing Essential Community Facilities in Tribal Communities & RCDI

Rural Business Cooperative Service (RBCS) Programs

- Business
- Energy Programs
- Cooperative Programs

Rural Utilities Service (RUS) Programs

- Water & Waste Disposal Grants to Alleviate Health Risks (306c)
- Water and Waste Disposal Loans and Grants
- Telecom and Electric Programs
- SUTA



Rental Housing for Individuals and Families

Multifamily Housing Loan Guarantee Program

- Qualified private-sector lenders provide financing to qualified borrowers. Eligible borrowers include Federally recognized Indian tribes.
- Min. Term: 25 yrs.; Max Term: 40 yrs.; Interest rate fixed for life of the loan guarantee.
- Housing must be in eligible area—Tribal trust lands are eligible.
- Rent must be affordable (low and moderate income).
- Benefits: USDA guarantees up to 90% of loan (97% for non-profits)—attractive to lenders, cap on rent.

Direct Loans to Repair Existing Properties (515)

Farm Labor Housing Direct Loans and Grants (514/516)



<https://www.rd.usda.gov/programs-services/multi-family-housing-programs>

Community Facilities Programs

- Program can be used to fund community centers, health care, public safety and educational facilities
- Eligible applicants include Federally Recognized Tribes
- Project must be in eligible area—most Tribal Trust lands are eligible
- Direct Loans, Loan Guarantees and small grants
- Low interest, long term financing. 40 Years or useful life. Interest rate is 3.75% (thru 6/30/23).
- **TCU Initiative Grants for 1994 Land Grant Institutions**
- **CF Technical Assistance and Training Grants**
- For details talk to a local community programs loan specialist



<https://www.rd.usda.gov/programs-services/all-programs/community-facilities-programs>

Other Funding Related to Housing - RCDI Grant

Rural Community Development Grant

Rural Development

Intermediary

Recipient

Beneficiary

Provides financial and technical assistance to develop the capacity and ability of eligible applicants in housing, community facilities, or community and economic development. May be used to provide homeownership education. Dollar for dollar match requirement.

Intermediary: A private, nonprofit or public (including tribal) organization. Must have been organized for a minimum of 3 years. Expertise in providing technical assistance to the types of recipients in their proposal.

Recipient: The entity that receives the technical assistance from the intermediary. Eligible recipients are nonprofit organizations, low-income rural communities or federally recognized tribes.

Beneficiary: Entities or individuals that ultimately receive benefits from technical assistance provided by the recipient.

<https://www.rd.usda.gov/programs-services/rural-community-development-initiative-grants>

Rural Business Development Grant (RBDG) Basics

- RBDG is a grant program that supports:
 - **Capitalization of a revolving loan fund**
 - Technical Assistance
 - Feasibility Studies
 - Purchase of Real Estate (i.e., business incubator)
 - Purchase of Equipment
- All assistance to a business is **indirect**
- Assistance must be provided to a “Small and Emerging Business”
 - *“Any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues”*

www.rd.usda.gov/programs-services/rural-business-development-grants

RBDG – Good to Know

- Grants customarily less than \$500,000 (not statutory)
 - Average tribal grant in FY 19 was ~ \$140k (27 grants)
 - Largest FY 19 Grant - \$499k
 - Regular program grants are more competitive & typically smaller awards
- Matching funds are not required
- Leveraged funding is a scoring criteria
 - This makes a huge difference in the regular program
 - Not as critical with tribal funding
- Must assist businesses in rural areas of 50,000 or less
- Enterprise and Opportunity type projects

www.rd.usda.gov/programs-services/rural-business-development-grants

Intermediary Relending Program (IRP)

- Direct loan made to Intermediary
- Terms: 30 years 1% fixed interest rate
 - 3-year deferral period is available
- Max loan: Up to \$1 million for the first financing
 - Total aggregate debt cannot exceed \$15 million
- Loan funds are relent to businesses (Ultimate Recipients)
 - Maximum Loan to Ultimate Recipient is currently \$400k (or 50% of loan to relender)
 - Terms of loans are negotiated between parties
 - Initial round is concurred on by Rural Development
 - Administrative review only
 - Agency does **not** underwrite files
- The spread between the rate charged the Intermediary (1%) and that charged to the Ultimate Recipients is used to help pay administrative costs

www.rd.usda.gov/programs-services/intermediary-relending-program

Rural Microentrepreneur Assistance Program (RMAP)

- The revolving loan fund portion of this program works like the IRP with the following differences:
 - Max loan to intermediary is \$500,000 (min loan = \$50,000)
 - Max loan to Ultimate Recipients is \$50,000
 - Total aggregate debt to MDO is capped at \$2.5 million
 - Ultimate Recipient must be “microenterprise” defined as a business with a max of 10 employees
- Max term to intermediary is 20 years with an interest rate of 2%
- Loan Funds are awarded in conjunction with a grant
 - The grant will fund technical assistance and pay administrative costs
 - 15% matching funds requirement
- Must assist microenterprises in rural areas of 50,000 or less
- Applications accepted year round

www.rd.usda.gov/programs-services/rural-microentrepreneur-assistance-program

Business and Industry Guaranteed Loans (B&I)

“B&I” Purpose: To improve, develop or finance business, industry & employment and improve the economic & environmental climate in rural communities.

- Rural = 50,000 or less
- Federally Recognized Tribes are eligible applicants
 - Tribally owned businesses are eligible
 - Businesses owned by tribal members are eligible
 - Nonprofits, cooperatives and public bodies are eligible
- 80% Maximum Guarantee for loans in FY 22
 - Maximum guarantee rates will be updated in the Federal Register
 - Certain exceptions
- Guarantee Fees & Equity Requirements
- Included in OneRD Guarantee Process



<https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees>

RD Programs for 'Agriculture' Producers

Value Added Producer Grant Program (VAPG)

- 50% Matching funds required (dollar for BTRC1ar)
- Maximum Awards: *Planning* - \$75,000 & *Working Capital* - \$250,000
- Examples of planning activities include conducting feasibility studies and developing business plans for processing and marketing the proposed value-added product.
- Examples of working capital expenses include processing costs, marketing and advertising expenses, some inventory and salary expenses.

www.rd.usda.gov/programs-services/value-added-producer-grants

Slide 15

BTRC0 Update for IRA

Buelow, Tedd - RD, CO, 2023-04-28T21:03:36.459

BTRC1 Confirm max awards for VAPG

Buelow, Tedd - RD, CO, 2023-04-28T21:04:04.335

RD Programs for 'Agriculture' Producers

Rural Energy for America Program (REAP)

- Provides grants & guaranteed loans for agricultural producers & rural small businesses to purchase & install renewable energy systems & make energy efficiency improvements.
- Grants can pay up to 50% of total project costs
 - \$2,500 min and \$1M for renewable energy system grants
 - \$1,500 min and \$500,000 max for energy efficiency grants
 - Grant requests of \$20,000 or less will automatically compete in a set-aside for small grants when applicable.
- Loan Guarantees can pay up to 75% of total project costs
 - Term not to exceed 40-years

www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency

Agricultural Producers

A person or entity, including non-profit entities, directly engaged in the production of agricultural products whereby 50 percent or greater of their gross income is derived from the operations.



Rural Small Businesses

- A private for-profit entity, including a sole proprietorship, partnership, or corporation
- An electric utility (including a Tribal or governmental electric utility)
- A Tribal corporation or other Tribal business entities that are chartered under Section 17 of the Indian Reorganization Act
- *Must be located in a rural area and meet Small Business Administration (SBA) size standard thresholds.*



Use of Funds in REAP

✓ Eligible Project Costs

- **Equipment:**
Purchase & installation
New or refurbished
May include storage or micro grid
- **Post-application construction & facility improvements**
- **Retrofitting**
- **Professional service fees**
- **Permits & license fees**
- **Working capital, land acquisition**
(Guarantee loan **ONLY** with restrictions)

⊘ Ineligible Project Costs

- **Residential energy projects**
- **Equipment:**
Farm tillage equipment
Used equipment
Vehicles
- **Pre-application construction & facility improvements**
- **Application preparation or grant writer fees**
- **Line of credit**
- **Lease payments**
- **Dispensing energy at retail**

Energy Efficiency Improvement Eligible Project Examples



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation



Renewable Energy Systems Eligible Project Examples



Solar



Wind



Small Hydroelectric (<30 MW)



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power



Hydrogen



Other Significant Ag-Related Business Programs

Indigenous Animals Harvesting & Meat Processing Grant Program (IAG)

- No min, No max
- No COST-SHARE REQUIRED!
- <https://www.usda.gov/iag>

BTRCO

Meat and Poultry Processing Program (MPPEP)

- <https://www.rd.usda.gov/programs-services/business-programs/meat-and-poultry-processing-expansion-program>
- **Technical Assistance available at:**
 - <https://www.ams.usda.gov/services/grants/mppta>

BTRCO Update due dates

Buelow, Tedd - RD, CO, 2023-04-28T21:05:29.234

More Business Programs

Socially-Disadvantaged Groups Grant

- Max grant - \$175,000
- No match required
- <https://www.rd.usda.gov/programs-services/socially-disadvantaged-groups-grant>

Rural Cooperative Development Grant Program (RCDG)

- Max grant - \$200,000
- 5% Match (for Tribes)
- <https://www.rd.usda.gov/programs-services/rural-cooperative-development-grant-program>

Financing Water & Waste Disposal Infrastructure

Water & Waste Disposal Loan & Grant

- Funding for clean and reliable drinking water systems, waste disposal and storm water drainage for household and businesses in eligible areas.
- Project must be in eligible area - most Tribal Trust lands are eligible.
- Low interest loans available
 - Term of the loan: Useful life of the facilities financed up to 40 years
- If funds are available, a grant may be combined with a loan to keep user costs reasonable.
- SEARCH and Pre-development & Planning (PPG) Grants



<https://www.rd.usda.gov/programs-services/all-programs/water-environmental-programs>

Financing Water & Waste Disposal Infrastructure

Water & Waste Disposal Grants to Alleviate Health Risks “Native American 306c Set Aside”

- Funding for construction of basic water and/or waste disposal systems.
- Eligible applicants include Federally recognized Indian tribes.
- Project must be in eligible area - most Tribal Trust lands are eligible.
- Applicants must meet per capita income and unemployment rate guidelines.



<https://www.rd.usda.gov/programs-services/water-waste-disposal-grants-alleviate-health-risks-tribal-lands-and-colonias>

Financing Water & Waste Disposal Infrastructure

Emergency Community Water Assistance Grants

- Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply
- Water source grants up to \$1,000,000 for the construction of new wells, reservoirs, transmission lines, treatment plants, and/or other sources of water

Rural and Alaska Native Villages Grants

- Program helps remote Alaska Native villages provide safe, reliable drinking water and waste disposal systems for households and businesses

ReConnect Broadband Pilot & Telecom Programs

ReConnect Broadband Pilot Program

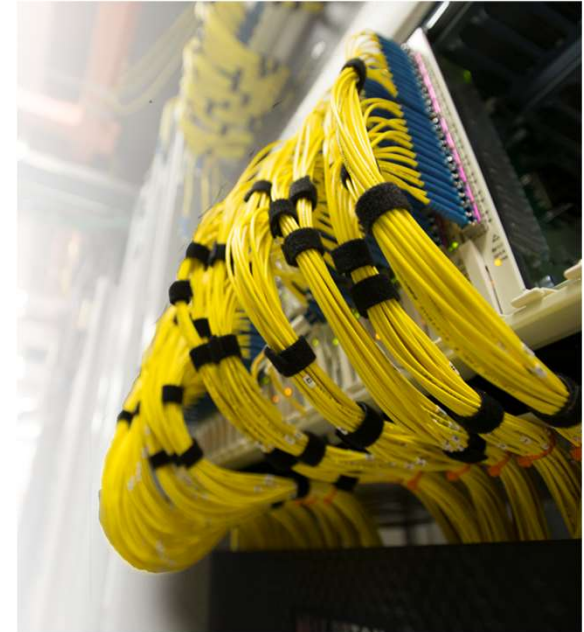
- Round 1 - **Closed** - \$607.8 Million
- Round 2 - **Closed** - \$808.4 Million (including CARES Act funding)
- Round 3 - **Closed** - \$1.67 Billion
- Round 4 - **Closed** - \$40.22 million in awards announced to date
 - Additional awards under review and pending
- Round 5 – PENDING RELEASE
- More info: www.usda.gov/reconnect

Broadband TA Program

- No Match
- **Applications due June 20, 2023 at 11:59 PM Eastern Time**
- **Webinar for Tribes and Tribal Entities on May 18th @ 1 PM ET**

Telecom Loan Program

<https://www.rd.usda.gov/programs-services/all-programs/telecom-programs>



Telecom Programs

Community Connect Grant Program

- Service area must have no access to broadband
- 15% match from non-federal

www.rd.usda.gov/programs-services/community-connect-grants



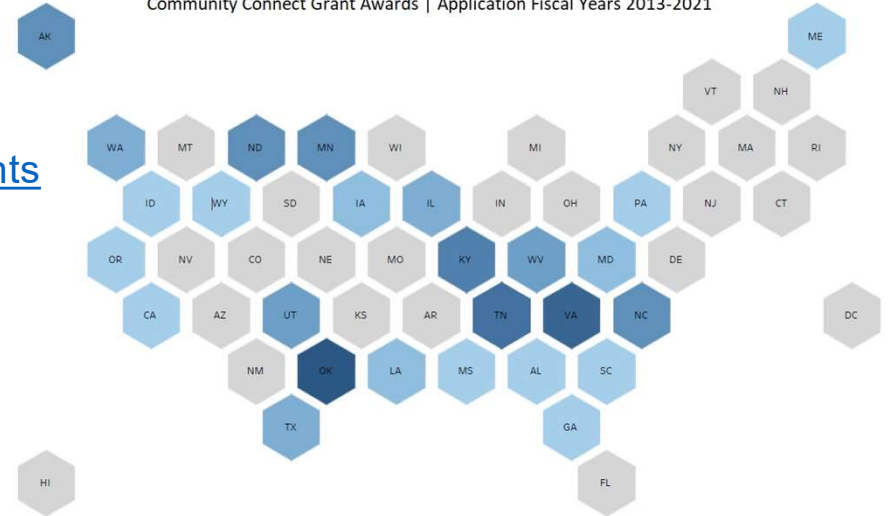
Distance Learning and Telemedicine Grant Program

- \$50,000 to \$1M grants
- 15% match, non-federal

<https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

**Applications due June 20
11:59 AM Eastern Time**

Community Connect Grant Awards | Application Fiscal Years 2013-2021



Electric Programs

IRA Renewable Energy Programs

- Section 22001
- Section 22004
- www.rd.usda.gov/inflation-reduction-act

Electric Loans

- Electric Loans
- Rural Energy Savings Program (RESP)

High Energy Cost Grant Program

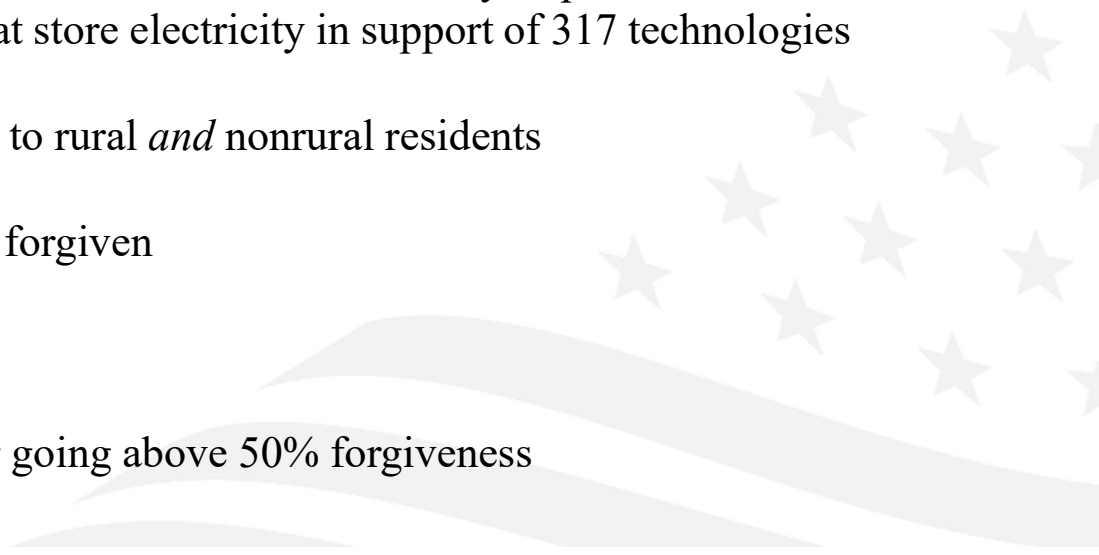


www.rd.usda.gov/programs-services/all-programs/electric-programs

Section 22001 Program

Forgivable Loans for Clean Energy Projects

ACE – ADDITIONAL FUNDING FOR ELECTRIC LOANS FOR RENEWABLE ENERGY. (partially forgivable 317 Loans)

- Amount - \$1 Billion
 - Purpose - for cost of loans under Sec 317 (which finances wind, solar, hydropower, biomass, or geothermal sources) including projects that store electricity in support of 317 technologies
 - Eligibility - Renewable generation for resale to rural *and* nonrural residents
 - Forgiveness - Up to 50% of the loan may be forgiven
 - Loan Interest Rate - Municipal Rate
 - Waiver - Secretary shall establish criteria for going above 50% forgiveness
- 

Section 22004 Program Funding

\$9.7 billion dollars in Budget Authority for the long-term resiliency, reliability, and affordability of rural electric systems to achieve the **greatest reduction** in CO₂, methane and nitrous oxide emissions.

Eligibility – Electric Cooperatives that are or have been RUS borrowers or electric cooperatives serving a predominantly rural area or a wholly or jointly owned subsidiaries of such cooperatives.

Activities Supported (per the statute)

- the purchase of renewable energy
- renewable energy systems
- zero-emission systems
- carbon capture and storage systems to deploy such systems
- energy efficiency improvements to generation & transmission systems of eligible entities

Permitted Use of Funds (per the statute)

- loans and modifications of loans
- the cost of loans and modifications
- grants
- other financial assistance

Limitations (per the statute)

- no entity may receive more than 10 percent of the total amount of the budget authority
- grants not to exceed 25% of total project costs

SUTA

Substantially Underserved Trust Areas Provision (2008 Farm Bill)

Programs covered: Electric Loans, Telecom and Broadband Loans, WEP Loans and Grants and High Energy Cost Grants

- At the discretion of Administrator, RUS can modify certain loan terms or application requirements:
 - Interest rates as low as 2%, extended amortization period, and/or priority processing
 - Waiver of certain documentation requirements regarding non-duplication of service
 - Waiver of matching funds or credit support requirements for loans
 - Providing the highest priority for funding to eligible projects that will serve trust areas



<https://www.rd.usda.gov/about-rd/initiatives/substantially-underserved-trust-area-suta>

ADDITIONAL RESOURCES

RD's New Tribal Relations Webpage!

<https://www.rd.usda.gov/tribal-relations>

USDA Rural Development Summary of Programs

https://www.rd.usda.gov/sites/default/files/RD_ProgramMatrix.pdf

[Check your location for eligibility and any of RD's Programs!](#)

Contact Info

USDA Rural Development State Offices

www.rd.usda.gov/contact-us/state-offices

Melissa Sturdivant

325-245-1781

melissa.sturdivant@usda.gov

Tony Matlock

771-200-8904

tony.matlock@usda.gov

Tedd Buelow

720-544-2911

tedd.buelow@usda.gov

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STAKEHOLDER ANNOUNCEMENT

- **USDA to Host Series of Webinars on Two New Inflation Reduction Act Programs to Advance Clean Energy Initiatives in Rural America**
- **WASHINGTON, May 12, 2023** – U.S. Department of Agriculture (USDA) Under Secretary of Rural Development Xochitl Torres Small today announced that USDA will host a series of webinars on two new Inflation Reduction Act (IRA) programs. The Powering Affordable Clean Energy (PACE) and Empowering Rural America (New ERA) programs are brand new initiatives that will expand clean, affordable, and reliable energy in rural communities (including U.S. territories and Compact of Freely Associated States).
- USDA's Rural Utilities Service (RUS) is launching these two programs under the IRA by making nearly \$11 billion in budget authority available in loans, grants, loan modifications, and partially forgivable loans. This will help electrify rural America with clean, affordable, reliable energy and enhance the quality of life in rural communities.
- USDA staff will hold the webinars via Zoom at the following dates and times:
 - RUS update on IRA funding:
 - **May 17, 2:30 p.m. – 3:30 p.m. ET**
 - Register for May 17: https://www.zoomgov.com/webinar/register/WN_Da7n930ESYW74IPME2qrSA
 - **Overview of funding available through IRA:**
 - **May 22, 24, 31 and June 1, 3:30 p.m. – 4:30 p.m. ET**
 - Register for May 22: https://www.zoomgov.com/webinar/register/WN_OdcOvDRORQqLiAzcyPgWw Register for May 24: https://www.zoomgov.com/webinar/register/WN_qQ8s02EIRKSAJDGLS0tpjw Register for May 31: https://www.zoomgov.com/webinar/register/WN_TeLcZthuRnG_0LG16xI2wQ Register for June 1: https://www.zoomgov.com/webinar/register/WN_uGwKsmshShm5puwOT8xtMw
 - Additional webinars will be scheduled and announced soon.
 - The Biden-Harris Administration championed the Inflation Reduction Act to help provide new funding and unprecedented incentives to expand clean energy, transform rural power production, create jobs, and spur new opportunities for the people of rural America. It is the largest single investment in rural electrification since the Rural Electrification Act of 1936.
 - For more information about the Inflation Reduction Act, visit <https://www.rd.usda.gov/inflation-reduction-act>.
 - If you would like to subscribe to USDA Rural Development updates, visit [GovDelivery subscriber page](#).

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