Small Towns, BIG Futures

Rural Development’s Financial Toolkit
One USDA: Seven mission areas

- Farm and Foreign Agricultural Services
- Food, Nutrition and Consumer Services
- Food Safety
- Marketing and Regulatory Programs
- Natural Resources and Environment
- Research, Education and Economics
1. Rural Development
• Expanding e-Connectivity
• Improving & modernizing infrastructure
• Enhancing rural economic development
• Boosting rural quality of life

“When rural America thrives, all of America thrives.”
Organizational Structure

- Rural Business-Cooperative Service
- Rural Housing Service
- Rural Utilities Service
- Rural Development
Rural Housing Service
Single Family Housing Programs

- No down payment required
- 100 percent, fixed-rate financing
- USDA Direct loans and private lender loan guarantees available
- Loan closing costs and repairs may be included
- No private mortgage insurance required
- No prepayment penalties
Example: Single Family Housing Direct Loan

- Family of three
- Annual adjusted gross income = $24,000
- Other debt = $250 / month
- Home purchase $120,000
- 1 percent interest rate

Monthly payment = $356, plus $200 in taxes and insurance: $556 / month.

This family qualifies for a $120,000 home on an annual income of $24,000.
Multi-Family Housing Programs

- No down payment required
- 100 percent, fixed-rate financing
- USDA Direct loans and private lender loan guarantees available
- Loan closing costs and repairs may be included
- No private mortgage insurance required
- No prepayment penalties
Partnering with the Vinton County Commissioners’ Development Department, USDA Rural Development has assisted more than 50 rural homeowners with necessary repairs in the last three fiscal years alone.

Eligible home repairs include:
- Replacing heating systems
- Ensuring the safety of electrical wiring
- Energy conservation measures
- Improvements to water and wastewater disposal systems
- Roof repair or replacement
Provides loans to eligible very-low-income homeowners to repair, improve or modernize their homes. A limited number of grants also are available to very-low-income homeowners - ages 62 or older - to remove health and safety hazards.
A 66-year-old applicant needed help repairing and updating his bathroom and kitchen. Based on his income and expenditures, he qualified for a $1,096 repair loan and $1,096 companion grant. USDA partnered with Athens County-based Corporation for Ohio Appalachian Development (COAD), which covered the balance of the project cost of $2,192.
Community Facilities Loans & Grants

- Hospitals and medical clinics
- Skilled nursing facilities
- Schools and libraries
- Daycare centers
- Fire houses, first responder vehicles and equipment
- Community centers
Ohio Northern University
College of Engineering

$67.2 million
Community Facilities loan
Miami Township Fire & Rescue Station

- $5.75 million Community Facilities loan
- Strong community support!
- Will serve residents of Miami and Eastern Bath Townships, plus the Villages of Yellow Springs and Clifton; about 7,500 rural citizens
Rural Community Development Initiative Grant

RCDI grants help non-profit community development and rural housing organizations, low-income rural communities, and federally-recognized Native American tribes support community facilities, housing, and community and economic development projects in rural areas.

Grants may be used for education, training, strategic plan development, and to learn effective nonprofit fundraising techniques, among other things.
What it is:

• This program helps improve the economic health of rural communities by increasing access to business capital through loan guarantees that encourage commercial lenders to provide affordable financing for businesses located in eligible rural areas.

How it works:

• Private-sector lenders originate, process, fund, and service the loan.
• USDA guarantees the loan, sharing the risk with the lender.
Qualified uses:

- **Convert**, enlarge, repair, modernize and develop rural businesses and manufacturing
- **Purchase** and develop land, easements, rights-of-way, buildings or other facilities
- **Buy** equipment, machinery, supplies and inventory
- **Refinance** (when new jobs will be created and other conditions are met)
- **Acquire** businesses and industries when the loan will keep the business from closing and / or save or create jobs
Ohio Valley Veneer | Pike County | $6.42 million loan guarantee
Rural Business-Cooperative Service
Business and Cooperative Grant Programs

- Intermediary Relending Program (IRP)
- Rural Cooperative Development Grants (RCDG)
- Rural Business Investment Program (RBIP)
- Rural Economic Development Loan and Grant (REDLG)
- Rural Microentrepreneur Assistance Program (RMAP)
- Socially-Disadvantaged Group Grants (SDGG)
- Value Added Producer Grants (VAPG)
- Rural Cooperative Development Grants (RCDG)
- Rural Business Development Grants (RBDG)
Athens County-based ACEnet is using its $72,388 RBDG for investment planning, partnership coordination and equipment installation.

The grant is expected to help create 27 jobs and assist 18 rural businesses.
Rural Business-Cooperative Service Energy Programs

- Repowering Assistance Program
- Rural Energy for America Program (REAP)
- Energy Audits & Renewable Energy Development Grants
- Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants
Devil's Kettle Brewing Company | Athens County

$19,845 Rural Energy for America Program Grant
Rural Business-Cooperative Service Energy Programs

- Capital to maintain, expand, upgrade, and modernize the grid
- Construct or improve electric distribution, transmission, and generation in rural areas
- Support demand-side management, efficiency, and conservation
The Rural Electric Program at work in Ohio

- **$63.75 million loan**
  - Serves 36,000 rural customers in Ohio, Michigan and Indiana
  - Loan will provide nearly a thousand miles of new fiber backbone for smart grid management systems

- **$8 million loan**
  - Serves 8,100 rural customers in 10 north-central Ohio counties
  - Loan will help connect 220 new customers and upgrade 52 miles of line.

- **$14.9 million loan**
  - Serves 17,000 rural customers in portions of eight central and north-central Ohio counties
  - Loan will help connect 659 new customers and build or improve nearly 70 miles of line.
ReConnect Pilot Program

- Second round of funding totaling $550 million opens on January 31
- Up to $200 million for low-interest loans, $200 million for grants, and $200 million for 50/50 loan/grant combinations
- Applications due no later than March 16, 2020
- To date, USDA has awarded $191 million with offers out to an additional 47 potential recipients totaling more than $600 million
- This program enables the federal government to partner with the private sector and rural communities to build modern broadband infrastructure in areas with insufficient service.
This program provides funding for clean and reliable drinking water systems, wastewater and solid waste disposal, and storm water drainage systems to households and businesses in eligible rural areas.
The U.S. 50 Albany, Ohio Corridor Project

$28.8 million Water & Waste Disposal loan & grant
$60.5 million Water Improvement Investment

Belmont County Water Treatment Plant
Leveraging Opportunities

• You know your community’s needs better than we do, but we’re here to help!
• Strategic planning is important
• Does your project have broad-based community support?
• Grant funds are limited and highly competitive. Instead, consider low-interest loans.
• Look for multiple sources of funding for your project, including Rural Development and non-profits (“capital stacking”)
• Innovation Center
  • substance misuse
  • workforce development
  • opportunity zones
  • capacity building
• Don’t hesitate to reach out to us
David L. Hall, State Director
USDA Ohio Rural Development – Columbus

Christie Hooks, Director
Rural Housing Service Programs – Columbus

David Douglas, Director
Community Programs – Columbus

Michael Rutherford, Director
Business-Cooperative Service Programs – Columbus

Chris Spellmire, Director
Findlay Area Office

Ashley Kelly, Director
Hillsboro Area Office

Brent Warren, Director
Marietta Area Office

John Miller, Director
Massillon Area Office
Contact Information

**Contact**: Vince Paumier, Community Development Specialist
E: | vince.paumier@usda.gov
P: | 614-255-2404

**Website**: [www.rd.usda.gov/oh](http://www.rd.usda.gov/oh)

For information about the Rural Development Innovation Center: [https://www.usda.gov/topics/rural/rural-development-innovation-center](https://www.usda.gov/topics/rural/rural-development-innovation-center)