



USDA Rural Development

Together, America Prospers



OPEN

Executive Summary

The United States Department of Agriculture (USDA), Rural Development (RD) is a catalyst for rural prosperity. We serve rural America because it's more than a great place to live; it is also integral to America's spirit and character and provides all Americans with their everyday essentials.

Through loans, grants, and partnerships with local leaders, we provide tools and resources that ensure rural families, businesses, and communities have what they need to prosper today and in the future. We foster opportunity and economic security in rural America by investing in infrastructure and high-speed internet, by opening doors to better jobs and access to innovation, and by securing the promise of rural prosperity.

We partner with rural families, businesses, and utilities to provide technical assistance and financial support including rural loans, grants, and loan guarantees. Together, these programs help create jobs, support economic development, and build essential services like housing, community facilities, and infrastructure.

USDA RD has a loan portfolio of more than \$230 billion working to bring enhanced economic opportunity to rural communities. By simplifying and streamlining our application process, we've ensured that capital can get into the hands of lenders, homeowners, and businesses faster than ever.

USDA's rural customers are served by Rural Development through:

- [Rural Utilities Service – Broadband, telecommunications, water, and electric](#)
- [Rural Business-Cooperative Service – Business, energy, community economic development, and cooperative services](#)
- [Rural Housing Service – Single-family housing, multi-family housing, and community facilities](#)

Explore this booklet to learn more about USDA Rural Development. With over 40 different programs and a field staff who live and work in the towns we serve, we provide tools and resources to ensure rural families, businesses, and communities have what they need to prosper today and in the future.

We look forward to partnering with you and your community because we believe when rural America thrives, all America thrives.



Rural Utilities Service

USDA's Rural Utilities Service (RUS) invests in rural communities to build and improve their infrastructure. From broadband to water and waste treatment to electric power, these services expand economic opportunities and improve the quality of life for rural residents.

USDA is awarding grants, loans, and loan/grant combinations throughout the country for broadband ReConnect. More than \$1 billion has been committed by Congress for this program. In addition, the Farm Bill also increased the population limit to 50,000 to be eligible for our traditional broadband program. For more information, go to <https://www.rd.usda.gov/about-rd/farm-bill>.





e-Connectivity for rural America is a necessity.

Reliable and affordable high-speed internet, e-Connectivity is fundamental for economic activity throughout the United States. e-Connectivity acts as a catalyst for rural prosperity by enabling efficient, modern communications between rural American households, schools, and health care centers, as well as markets and customers around the world.

- Agricultural production
- Manufacturing
- Mining
- Forestry

Water

The Water and Environmental Program (WEP) funds provide loans, grants for drinking water, sanitary sewer, solid waste, and storm drainage facilities in rural areas, cities, and towns with populations at or below 10,000. It can provide loan guarantees for communities with populations up to 50,000. Public bodies, non-profit organizations, and recognized Tribes may qualify for assistance under this program or others. WEP also makes grants to non-profit organizations to provide technical assistance and training to help rural communities with water, wastewater, and solid waste management.

Electric

Our electric programs provide capital to maintain, expand, upgrade, and modernize America's vast rural electric infrastructure. The loans and loan guarantees finance the construction or improvement of electric distribution, transmission, and generation facilities in rural areas, including smart grid technology. The electric programs also provide funding to support

demand-side management, energy efficiency and conservation programs, and on- and off-grid renewable energy systems. Loans are made to cooperatives, corporations, States, territories, subdivisions, municipalities, utility districts, and non-profit organizations. These programs build resiliency, reliability, and affordable power for rural America.

Telecommunications

Through our telecommunications programs, we offer loans and grants to expand and improve broadband access throughout rural America, as well as enhance distance learning and telemedicine. Borrowers and grantees include for-profit and non-profit entities, Tribes, municipalities, and cooperatives. By providing capital for the deployment of telecommunications broadband infrastructure, our programs help improve the quality of life in rural America through expanded market access for farmers and rural businesses, educational opportunities for students, expanded access for health care, increased safety and security, and greater prosperity for all rural residents.

Grow businesses and train rural Americans for jobs.

Our business programs provide grants and capital to non-profit and public economic development organizations to assist large and small businesses and individuals with training, education, and development of entrepreneurial skills to help those living in rural areas start and grow businesses or find jobs in agricultural and other rural markets. Investors would find long-term value in our loans and guaranteed loans.

USDA works with public and private partners to connect rural residents to valuable resources by:

- Supporting business growth and development
- Helping to bring capital to rural America
- Creating and sustaining jobs through recreation as well as restoring, conserving, and managing rural America's natural resources
- Bringing fast internet into more homes and businesses
- Boosting energy production that benefits rural communities and fuels nations

These investments support America's long-term prosperity by ensuring our rural communities and Main Streets both grow and prosper.



Rural Business-Cooperative Service

Business

Through its business programs, RD provides much-needed investment to rural areas, often in partnership with private-sector lenders and community-based organizations. The assistance can be in the form of a loan guarantee, a direct loan, or grants to individuals, businesses, cooperatives, farmers and ranchers, public bodies, non-profit corporations, Tribes, and private companies. The funding is given to help improve the quality of life in rural communities by creating economic growth.

Cooperative

Our cooperatives services promote and support development of cooperative businesses, which often process and market agricultural products, as well as needed supplies and invaluable services like electricity, broadband connectivity and telephone services. Cooperatives are engaged in banking services, housing, food distribution and marketing, hardware and building supplies, in-home health care, among other services.



Communities

USDA's community development initiatives include programs and technical assistance that help rural areas to realize their strategic, long-term economic development goals.

Energy

Energy grants and loans assist rural small businesses and agricultural producers to finance renewable energy systems and energy efficiency improvements. Funding helps them improve their buildings' infrastructures, install efficient lighting, and upgrade refrigeration, heating/cooling systems, as well as other building necessities to reduce consumption and cost of energy. Grants and loans can also be used to help fund alternative and renewable energy solutions like solar panels, wind turbines, hydropower, anaerobic digesters, and more. Energy programs also support biorefineries for the production of ethanal, biodiesel and renewable diesel, biogas, renewable chemicals, and other biobased products. Additionally, USDA RD is incentivizing the expansion of sales of renewable fuels with a new program—the Higher Blends Infrastructure Incentive Program (HBIIP)—which expands the availability of domestic ethanol and biodiesel.

Rural Housing Service

USDA Rural Housing Service (RHS) builds and improves housing and essential community facilities in rural areas. We offer loans, grants, and loan guarantees for single- and multi-family housing, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, housing for farm laborers, and more. We provide technical assistance loans and grants in partnership with non-profit organizations, Tribes, State and Federal Government agencies, and local communities. And, we work with our partners to ensure rural America continues to be a great place to live, work, and raise a family.

Single-Family Housing

USDA's Single-Family Housing Programs help rural communities build robust and sustainable economies with direct loans or loan guarantees to help low- and moderate-income residents build or buy housing in rural areas. By working with partners to leverage funding from private lenders, non-profit organizations, and State and local agencies, we serve more customers and use tax dollars more efficiently.

Our innovative partnerships for self-help housing and loan application packagers promote ownership, as well as work with potential homeowners to navigate the

Strong communities help rural Americans become homeowners:

- Single-Family Housing Direct Home Loans
- Single-Family Housing Guaranteed Loan Program
- Multi-Family Housing Loan Guarantees
- Community Facilities Technical Assistance and Training Grant
- Rural Community Development Initiative Grants
- Housing Preservation and Revitalization Demonstration Loans and Grants

home buying process. USDA RD also offers seniors loans for site infrastructure, home repairs, and grants to provide accessibility and other safety improvements. This will provide a way to help seniors stay in their homes and age in place, if that's what they desire.

Multi-Family Housing

Our Multi-Family Housing programs offer loans to provide affordable rental housing for very-low-, low-, and moderate-income residents, the elderly, and persons with disabilities. Funds may be used to buy and improve land and provide necessary facilities. In addition, USDA offers rental assistance.

Community Facilities

USDA's community facilities programs provide loans, grants, and loan guarantees for essential community facilities in rural areas. Priority is given to health care, education, and public safety projects. Typical projects include hospitals, health clinics, schools, fire houses, community centers, and first responder vehicles and equipment.



Initiatives

Farm Bill

The [Agriculture Improvement Act of 2018](#) (2018 Farm Act), known as the Farm Bill, was signed into law on December 20, 2018. It will remain in force through 2023, although provisions extend beyond 2023. Spending has been increased from fiscal year 2019 through 2023 by \$1.8 billion (less than 1 percent) above the level projected for a continuation of the previous Farm Bill.

The 2018 Farm Bill enhances USDA RD's ability to support and promote rural American prosperity. Title VI provides assistance to rural communities for improving health outcomes, particularly in the areas of broadband; community and economic development program planning, coordination, and implementation; water and waste disposal and wastewater treatment facilities; as well as energy, electrification, and cybersecurity. RD stakeholders will also find benefit from Title X (Energy) and Title XII (Misc.). The 2018 Farm Bill impacts delivery and management of these critical programs and provides guidance and some funding for the agencies' efforts.

Expanding Credit to Rural Communities

The 2018 Farm Bill expands the Rural Broadband Access Loan and Loan Guarantee program by combining and streamlining regional programs, extending the use of grants. It also increases the population limit eligibility for USDA's water, community facilities, and broadband programs to 50,000.



Increasing Broadband Tools

The 2018 Farm Bill increases the available broadband tools and provides a user-friendly database of loan and grant programs. It prioritizes broadband access to those who live in underserved areas, codifies the existing Community Connect program, and creates a new program emphasizing middle mile infrastructure.

Solidifying Funding for Rural Necessities

The Farm Bill states that it will continue to allow rural communities to refinance broadband and telephone loans, as well as certain rural hospitals. It also codifies the Agriculture and Rural Prosperity Task Force. These recommendations will be carried forward for the unforeseeable future.

Rural Development Innovation Center

Created in 2017, the Rural Development Innovation Center works to transform rural communities through strategic partnerships, data analytics, and regulation streamlining. The Innovation Center is leading a key initiative to improve agency efficiency in program delivery, customer service and program utilization through streamlining and consolidating four Rural Development loan guarantee programs into a single regulation. Other resources available through the Innovation Center include a Tribal resource guide and an e-Connectivity toolkit.

Broadband ReConnect

The Broadband ReConnect program is a high-priority initiative that offers loans and grants to be applied to the construction, improvements, or acquisition of facilities and equipment needed to provide broadband service in eligible rural areas. This program will generate private-sector investment to deploy broadband infrastructure and provide high-speed internet e-Connectivity to as many rural premises as possible, including homes, community facilities for health care and public safety, schools, libraries, farms, ranches, factories, and other sites.



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