

Revolving Funds for Financing Water and Wastewater Projects (Revolving Fund Program)

What does this program do?

This program helps qualified nonprofits create revolving loan funds that can provide financing to extend and improve water and waste disposal systems in rural areas.

Who may apply for these grants?

Nonprofits that have:

- **legal authority to operate a revolving loan fund**
- **financial, technical, and managerial capacity to comply with relevant state/federal laws and regulations**

How may grant funds be used?

To create a revolving loan fund for eligible utility districts operated by:

- State and local governmental entities
- Nonprofits

What may the revolving loan fund be used for?

- Pre-development costs of water and wastewater treatment projects
- Short-term small capital improvement projects that are not part of the regular operations and maintenance

What are the revolving loan fund terms?

- Maximum loan per borrower is \$100,000
- Maximum term is 10 years
- Interest rate determined by utility district borrower and nonprofit that manages the revolving loan fund

What is an eligible area?

- Rural areas and towns with populations of 10,000 or less – [check eligible addresses](#)
- Tribal lands in rural areas
- Colonias

Are matching funds required?

Partnerships with other federal, state, and local entities are encouraged; however, in some circumstances a grant may be offered for 100 percent of the revolving loan fund start-up capital if funds are available.

How do we get started?

First, contact a Rural Development program specialist in the state or territory where the revolving loan fund would be available. The program specialist will help you begin the application process.

Who can answer questions?

- Staff in your [local RD office](#).
- [Lois East](#), Water & Environmental Programs office – (660) 492-4268.

What governs this program?

- Code of Federal Regulation, [7 CFR Part 1783](#)
- Section 306 of the Consolidated Farm and Rural Development Act and section 6002 of the Agricultural Act of 2014

Why does USDA Rural Development do this?

This program helps very small communities extend and improve water and waste treatment facilities for households and businesses. Good practices can save tax dollars, improve the natural environment, and may be necessary for manufacturers and other types of businesses to locate or expand operations.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact [your local office](#) for assistance. You will find additional forms, resources, and program information at www.rd.usda.gov. *USDA is an equal opportunity provider, employer, and lender.*