

Rural Decentralized Water Systems Grant Program

What does this program do?

This program helps qualified nonprofits and tribes create a revolving loan fund to increase access to clean, reliable water and septic systems for households in eligible rural areas.

Who may apply for these grants?

Nonprofits that have:

- **Expertise and experience promoting the safe, productive use of individually-owned household water wells systems**
- **Legal authority to act as a lender**
- **Sufficient expertise and experience in lending activities**
- **Financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations**

How may grant funds be used?

Grant funds may be used to help a nonprofit create a revolving loan fund for eligible individuals who own and occupy a home in an eligible rural area. The fund may be used to construct, refurbish, or service individually-owned household water well and septic systems. Terms for the loans include one percent fixed interest rate, 20-year maximum term, and an \$15,000 maximum loan per household.

What is an eligible area?

- Rural areas and towns with populations of 50,000 or less – [check eligible addresses](#)
- Tribal lands in rural areas
- Colonias

Are matching funds required for the grant?

Yes. The nonprofit must contribute at least 10 percent. Matching funds may be from the nonprofit applicant or a third party and matching funds may not be in-kind.

How do we get started?

- Electronic applications are accepted through [Grants.gov](#).
- Paper applications may be sent to Water Programs Division, Rural Utilities Service, Stop: 1570, Room 2234-S, 1400 Independence Avenue SW., Washington, DC 20250-1570.

Who can answer questions?

Contact [your local RD office](#) or [Derek Jones](#), Water & Environmental Programs office – (202) 720-9640

What governs this program?

- Code of Federal Regulations [7 CFR 1776](#)
- Section 306E of the Consolidated Farm and Rural Development Act

Why does USDA Rural Development do this?

This program helps communities improve access to safe, reliable drinking water for households in rural areas. It also helps improve the sanitary conditions caused by inadequate septic systems.

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.*