



PROGRAM SUMMARY

Rural Development *in Illinois*

HOUSING PROGRAMS: Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved banks, mortgage companies)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single Family Housing Direct Loans (502)	Safe, well-built, affordable homes for rural Americans.	Families and individuals.	Buy, build, improve, repair or rehabilitate a rural home as the applicant's permanent residence.	Rural areas with populations of 35,000 or less.	Direct loan	Up to 100% of market value or cost, whichever is less. Loan term of 33/38 years, fixed rate. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Housing Guaranteed Loans (502)	Assist moderate-income applicants / households in buying their homes by guaranteeing loans made by private lenders.	Families and individuals.	Purchase new or existing homes and refinance existing Rural Development guaranteed or direct loans.	Rural areas with populations of 35,000 or less.	Loan guarantee	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans up to 100% of market value plus a guarantee fee.
Single Family Housing Direct Repair Loans and Grants (504)	Help very low-income homeowners remove health and safety hazards or repair their homes.	Families and individuals who currently own their home.	Repair or replace roof, winterizing, purchase or repair heating system, structural repair, and water, sewage connect fees, etc.	Rural areas with populations of 35,000 or less.	Direct loan and grant	Loans up to 20 years at 1%; may not exceed \$20,000. Grants up to \$7500 only available to very-low-income applicants 62 or older unable to pay 1% loan.
Self-Help Technical Assistance Housing Grants (523)	Assist lower-income families in building their own homes.	Non-profits and public bodies.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Rural areas with populations of 35,000 or less.	Grant	Two year grant agreement. Homeowners must provide 65% of the necessary labor.
Rural Rental Housing Direct Loans (515)	Safe, well-built, affordable rental housing for very-low, low and moderate income individuals and families.	Individuals, trusts, associations, limited partnerships, for-profit and non-profit organizations, tribes, public bodies.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of 35,000 or less.	Direct loan; rental assistance	Non-profit up to 100% of total development cost; for-profit up to 97%. (30-year term with up to 50 year amortization.) For-profit organizations with Low-Income Housing Tax Credits: 95% of total development costs.
Rural Rental Housing Guaranteed Loans (538)	Provide loan guarantees on loans to build or preserve affordable housing for very-low to moderate-income tenants.	For profit and non-profit lenders.	Build or rehabilitate affordable rental housing.	Rural areas with populations of 35,000 or less.	Loan guarantee	For-profit loan guarantees up to 90% of the principal. Repayment: 25 to 40 year fixed rates.
Housing Preservation Grants (533)	Repair and rehabilitate housing owned or occupied by very-low and low-income rural families.	Non-profits and public bodies.	Operation of a program which finances repair and rehabilitation activities for single family and small rental properties.	Rural areas with populations of 35,000 or less.	Grant	Two year grant agreement.
Farm Labor Housing Loans and Grants (514 & 516)	Safe, well-built affordable rental housing for farm workers.	Public and private non-for-profit (NFP) organizations, farm owners, farm partnerships, farm corporations and LLCs.	New construction or substantial rehabilitation of housing for farm workers and agricultural processing workers.	No population restriction.	Direct loan, grant	Loans up to 102% of total development cost at 1% for up to 33 years. Grants to NFPs for up to 90% of total development cost. Resident farm workers and processing workers must be permanent residents or US citizens.

BUSINESS AND COOPERATIVE PROGRAMS: Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved lenders)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Guaranteed Loans (B&I)	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Businesses apply through Federal or State chartered banks, credit unions, savings & loan associations.	Most legal business purposes except production agriculture. Uses include real estate, equipment, acquisition, start-up and expansion of businesses that create rural employment.	Any area or town that has a population of less than 50,000 inhabitants and/or is not contiguous to an urbanized area. Go to: http://eligibility.sc.egov.usda.gov Note: Exceptions to population criteria possible for local foods projects.	Loan guarantee	Lender and borrower negotiate terms. Variable interest rates must be tied to a published rate and may change no more often than quarterly.
Intermediary Relending Program Loans (IRP)	Capitalize revolving loan funds for the purpose of financing business facilities and community development projects in rural areas.	Public bodies, non-profit corporations, Native American tribes, and rural cooperatives. Apply to Rural Development.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	• Any area or town that has a population of less than 50,000 inhabitants and/or is not contiguous to an urbanized area.	Direct loan	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Loan term to intermediary is 1% interest for 30 years.
Rural Business Development Grants (RBDG)	Finance and facilitate the development of small and emerging private business enterprises, and conduct economic development planning in rural areas.	Public bodies, private non-profit corporations, and federally recognized Native American tribal groups. Apply to Rural Development.	Buy and develop land, revolving loan funds, construct buildings, equipment, streets, parking areas, utility extensions, adult job training, rural distance learning networks, technical assistance, and economic development planning.	• Same as above	Grant	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. There are no matching funds required for this program, though matching funds will improve competitive scoring.
Rural Economic Development Loans and Grants (REDLG)	Finance economic development and job creation in rural areas.	Electric and telephone utilities eligible for financing from the Rural Utilities Service Apply to Rural Development.	Promote rural economic development and/or job creation projects by financing private businesses or economic development projects.	• Same as above	Direct loan and revolving loan fund grant	The intermediary (electric or telephone utility) makes loans to for-profit or non-profit businesses and public bodies for rural economic development and/or job creation projects. Loan term to intermediary is 0% interest for 10 years.
Rural Cooperative Development Grants (RCDG)	Establish & operate centers for cooperative development benefitting the economic condition of rural areas through the development of new & improvement of existing cooperatives.	Non-profit corporations and institutions of higher education. Apply directly to Rural Development.	To conduct feasibility studies, business plans, and applied research as well as provide training and other technical assistance to new and existing cooperatives and businesses.	• Same as above	Grant	Applicants must meet specific selection criteria, including a minimum 25 percent fund match. Grants are awarded on a competitive basis.
Section 9007, Rural Energy for America Program (REAP)	Finance the purchase of renewable energy (RE) systems, make energy efficiency improvements (EEI), and provide energy audits and renewable energy development assistance.	Agricultural producers & rural small businesses for RE & EEI. Energy audit & renewable energy assistance applicants are public bodies, institutions of higher learning, rural electric co-ops & others. Apply directly to Rural Development.	Renewable energy projects, energy efficiency improvement projects, and energy audit & renewable energy development assistance.	• Same as above Agricultural production projects may be located in urban areas as well as rural areas.	Loan guarantee and grant	Applicants must meet specific selection criteria. Loans cannot exceed 75 percent of eligible project costs. Grants are awarded on a competitive basis. Grant cannot exceed 25 percent of eligible project costs.
Value-Added Producer Grants (VAPG)	Assist agricultural producers to enter into activities that add value to their commodities.	Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Apply directly to Rural Development.	Planning purposes such as feasibility studies, business plans, or marketing analyses; or as working capital to help cover the post-harvest operating costs of a value-added venture.	No population restriction.	Grant	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.

COMMUNITY & RURAL UTILITY SERVICE PROGRAMS: Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved lenders)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<p>CF– Community Facilities Direct Loans and Grants</p> <p>GCF Guaranteed Community Facilities Loans</p>	<p>Improve, develop, or finance essential community facilities for rural communities.</p> <p>Guarantee CF loans made by private lenders</p>	<p>Public bodies, non-profit organizations, and Federally recognized Indian tribes.</p> <p>Grant eligibility based on income, population and need.</p>	<p>Construct, enlarge or otherwise improve essential community facilities, such as public safety, fire and rescue, telecommunications, early warning systems, schools, libraries, hospitals, other health care facilities, etc. May include furnishings, fixtures, equipment.</p>	<p>Rural area, communities with population of 20,000 or less.</p> <p>Facilities must primarily serve rural residents.</p>	<p>Direct loan, loan guarantee, grant</p>	<p><u>Direct</u> - up to 100% of market value. Term is useful life of facility or equipment, State statute or 40 years.</p> <p><u>Grant</u> - maximum 75% of project cost.</p> <p><u>Guarantee</u> - up to 90% of lender's total loan to the borrower; rate set by lender; useful life not to exceed 40 years.</p>
RCDI– Rural Community Development Initiative	Help recipients develop the capacity to undertake housing, community facility or economic development projects.	Private, non-profit, philanthropic or public organizations (legally organized for at least 3 years) with experience working with non-profit organizations and low-income communities.	Grants of \$50,000 to \$300,000 to work with an Intermediary providing technical and financial assistance to develop the capacity and ability of the awardees to carry out needed projects.	All areas with less than 50,000 residents and not contiguous or adjacent to an urban area.	Grant	Grants are awarded on a competitive basis. Three year grant agreement; matching funds required.
ECWAG – Emergency Community Water Assistance Grants	Help eligible communities prepare for, or recover from, an emergency threatening the availability of safe, reliable drinking water	Most State and local governmental entities, non-profit organizations, Federally recognized tribes.	Construction of waterline extensions, repairs to breaks or leaks in existing water distribution lines and related maintenance. Construction of a new water source, intake and/or treatment facility.	Rural areas, towns and tribal lands with population of 10,000 or fewer, and qualifying median household income.	Grant	Water transmission line grants up to \$150,000. Water source grants up to \$500,000.
Water and Waste Disposal Loans, Grants & Guarantees	Provide clean, reliable drinking water and wastewater infrastructure for rural areas.	Public entities, special purpose districts, non-profit corporations and Indian tribes.	Build, repair, and improve public water, storm water, waste collection and treatment systems, and related costs.	Rural areas, cities and towns with population up to 10,000.	Direct loan; grant; loan guarantee	Low, fixed interest rates. Direct repayment - up to 40 years. Grant funds may be available. Guarantees up to 90% available to eligible lenders.
<p>PPG– Predevelopment Planning Grants</p> <p>SEARCH– Special Evaluation Assistance for Rural Communities and Households</p>	<p>Pay costs associated with developing an RD application for a proposed water or wastewater project.</p>	Public entities and non-profit corporations.	<p>Predevelopment costs, (e.g., preliminary engineering and environmental report)</p> <p>SEARCH uses include studies (PER, environmental) preliminary design and technical assistance.</p>	<p>PPG - Rural areas with population of 10,000 or less.</p> <p>SEARCH - Rural areas with population of 2,500 or less.</p>	Grant	Median household income in the service area must be less than \$46,748. PPG - Grants up to \$30,000 or 75 percent of the project costs, SEARCH - Grants available up to 100% of eligible costs; \$30,000 maximum grant.
SWMG– Solid Waste Management Grants	Reduce or eliminate pollution of water resources and improve solid waste sites.	Public bodies, private non-profit organizations, academic institutions, Indian tribes.	Provide technical assistance and training, improve planning and management of solid waste facilities for those operating active landfills.	Rural areas, cities and towns up to 10,000 population.	Grant	Projects are funded based on selection at the National level. Applications accepted year-round.
HWWS– Household Water Well System Grant	Ensure safe drinking water is available from individually-owned water wells in rural areas	Private non-profit organizations.	Establish / operate a revolving loan program that provides low-interest loans to eligible individuals to construct, refurbish and service the individuals' water well systems.	All areas except cities of more than 50,000 and their contiguous and adjacent areas.	Grant	Organizations must contribute at least 10% of the grant to capitalize the funds. Individuals may receive loans up to \$11,000 at 1% for 20 years. Cannot be used for sewer or septic systems.
DLT– Distance Learning and Telemedicine	Provide advanced telecommunication services to rural areas to improve education and health care delivery.	Incorporated entities (including cities, for-profit and non-profit entities) that operate rural schools, libraries, health care clinics and other educational or health care facilities.	End-user equipment that delivers distance learning and telemedicine services, (e.g., cameras, video monitors, computers and LAN, medical records programs, teleradiology.)	Rural areas outside incorporated or unincorporated cities with population of 20,000 or less.	Grant	Awards range from \$50,000 to \$500,000. A minimum of 15% matching funds is required.
Community Connect	Provide public access to broadband in otherwise unserved areas to benefit public safety and economic growth.	Public bodies, non-profit, for-profit and cooperative organizations, tribes. Apply directly to RD National Office.	Construct, acquire, or lease facilities to deploy broadband transmission services; and to improve, expand, construct or acquire a community center offering free public access to broadband for 2 years.	Rural areas with population of 20,000 or less.	Grant	Grants awarded on a competitive basis annually; minimum 15% matching contribution required; minimum award \$100,000; maximum \$3 million.
Rural Broadband Direct Loans	Bring broadband service to unserved and underserved communities.	Non-profit or for-profit organizations, cooperatives, state or local units of government, Indian tribes seeking to provide broadband services in rural areas.	Finance the construction, improvement and acquisition of facilities and equipment, land and buildings used to provide broadband service in eligible communities.	Eligible rural communities with population of 20,000 or less.	Direct loan	Refer to the new rules, when available, for loan terms and conditions.

Rural Development Program Purposes

	Land & Bldgs.	Mach. & Equip.	Working Capital	Infrastructure	Tech. Asst./Train.
Rural Housing Programs					
Single Family Housing Direct Loans (including Self-Help Loans)	♦				
Single Family Housing Loan Guarantees	♦				
Single Family Housing Repair Loans/Grants	♦				
Self-Help Housing Technical Assistance Grants					♦
Rural Rental Housing Direct Loans	♦			♦	
Rural Rental Housing Loan Guarantees	♦			♦	
Housing Preservation Grants	♦	♦	♦	♦	♦
Farm Labor Housing Loans/Grants	♦			♦	
Rural Business and Cooperative Programs					
Business and Industry Loan Guarantees	♦	♦	♦	♦	
Intermediary Relending Program Loans	♦	♦	♦		
Rural Business Development Grants	♦	♦	♦	♦	♦
Rural Economic Development Loans and Grants	♦	♦	♦	♦	♦
Rural Cooperative Development Grants				♦	♦
Rural Energy for America Program Loan Guarantees/Grants	♦	♦		♦	♦
Value-Added Producer Grant			♦	♦	♦
Community Facility and Rural Utilities Service Programs					
Community Facilities Direct Loans, Loan Guarantees, Grants*	♦	♦	♦	♦	
Rural Community Development Initiative					♦
Water and Waste Disposal Direct Loans, Loan Guar., Grants	♦	♦		♦	
Solid Waste Management Grants					♦
Distance Learning and Telemedicine Loans/Grants		♦		♦	
Community Connect Grants	♦	♦	♦	♦	
Rural Broadband Direct Loans and Loan Guarantees	♦			♦	

* Initial operating expenses are eligible in conjunction with the financing of an eligible community facility project. However, grant funds may not be used to fund initial operating expenses.

Contact Information

Contact any USDA Rural Development office for more information about agency funding opportunities.

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