



United States
Department of
Agriculture

Rural Development



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Kentucky Community Programs Director

Community Programs

Rural Development's Mission

Rural Development is committed to helping improve the economy and quality of life in all of rural America by providing financial programs to support essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. Rural Development promotes economic development by providing loans to businesses through banks and community-managed lending pools, while also assisting communities to participate in community empowerment programs.



Rural Development

Water & Environmental
Programs (WEP)
&
Community Facilities (CF)

Points of Discussion:

- ✓ Objectives of the programs
- ✓ Eligible applicants
- ✓ Eligible purposes
- ✓ Types of financial assistance
- ✓ Rates and Terms



Water & Environmental Programs

Objective

Provide loan and grant funds to construct, enlarge, extend or otherwise improve water and waste systems, resulting in reasonable user costs for rural residents, rural businesses, and other rural users.



Water & Environmental Programs

Eligible Applicants

Public Bodies:

- Municipalities
- Counties
- Special Districts
- Authorities



Not-for-Profit Corporations

- Associations
- Cooperatives
- Private Corporations





Water & Environmental Programs Rural Areas

PROJECTS financed by Rural Development must be located in rural areas, defined as any area not in a city or town with a population in excess of 10,000, according to the latest decennial Census of the United States.

Water & Environmental Programs



Towns and cities with populations greater than 10,000 may be eligible for Rural Development assistance if the project is located outside the corporate limits.

Water & Environmental Programs Eligible Purposes



- Must serve a rural area
- Must provide adequate capacity for both the present population and for reasonable foreseeable growth
- Must be necessary for orderly community development

Water & Environmental Programs Eligible Purposes

Funds may be used for:

- Lines (water and sewer)
- Storage tanks
- Treatment plants (water and sewer)
- Engineering
- Interest
- Legal and Administrative
- Refinancing (subject to certain criteria)



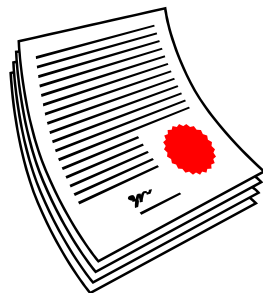
Water & Environmental Programs

Types of Financial Assistance

- Direct loan
- Grant
- Guaranteed Loan
- Combination direct / guaranteed loan

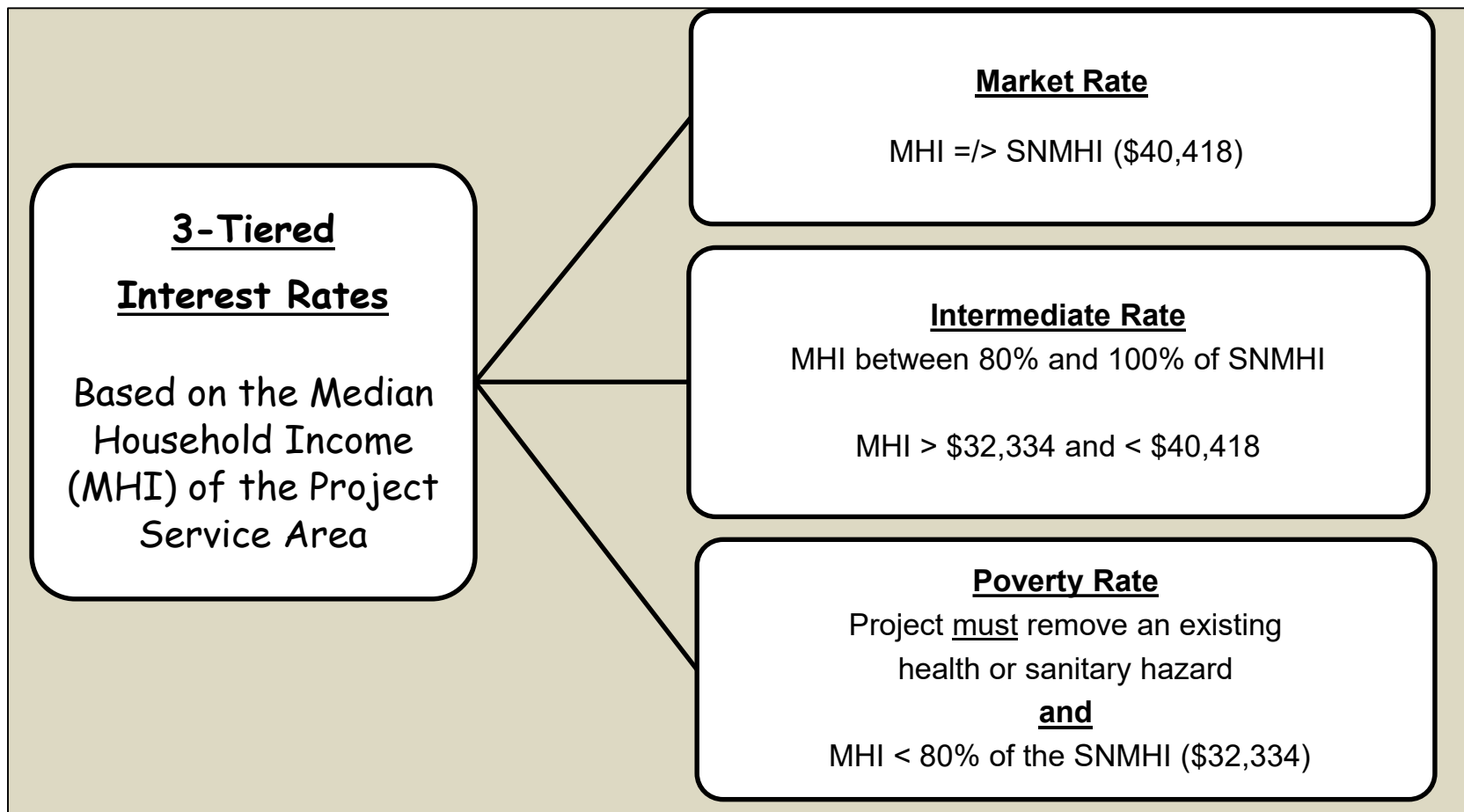


Water & Environmental Programs Rates and Terms



- Interest rates set quarterly based on current market index
- Loan repayment period shall not exceed the useful life of the facility, state statute, or 40 years from the date of the bond or note, whichever is less

Water & Environmental Programs



Water & Environmental Programs

Current interest rates

- adjust quarterly
- locked once loan is approved

- Market 1.875%
- Intermediate 1.50%
- Poverty 1.125%



*(these rates are effective
from 07/01/20 - 09/30/2020)*

Community Facilities Objective

Provide loan and grant funds to develop community facilities for health, public safety, public services, and other type facilities for all rural Americans



Community Facilities Eligible Applicants

Public Bodies:

- Municipalities
- Counties
- Special Districts
- Authorities

Not-for-Profit Corporations

- Associations
- Cooperatives
- Private Corporations



Community Facilities

Facilities must be located in rural areas, defined as any areas in any city or town with a corporate population not in excess of 20,000 inhabitants, according to the latest decennial Census of the United States.



Community Facilities Eligible Purposes

Health Care:

- Clinics
- Hospitals
- Nursing Homes
- Other



Public Safety:

- Police and fire stations
- Police cars and fire trucks
- Rescue Vehicles
- Jails
- Other



Public Services:

- Adult day care centers
- Child Care centers
- City halls
- Courthouses
- Community Centers
- Other

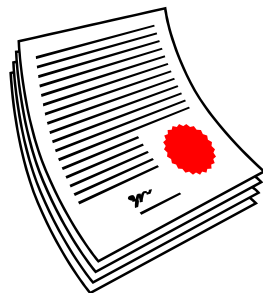


Community Facilities Types of Financial Assistance

- Direct loan
- Grant
- Guaranteed Loan
- Combination direct / guaranteed loan



Community Facilities Rates and Terms



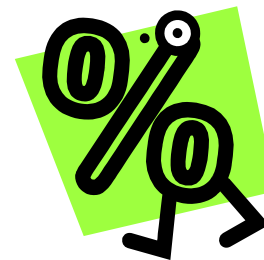
- Interest rates set quarterly based on current market index
- Loan repayment period shall not exceed the useful life of the facility, state statute, or 40 years from the date of the bond or note, whichever is less

Community Facilities loans Current interest rates

- *adjust quarterly*
- *locked once loan is approved*

■ Market

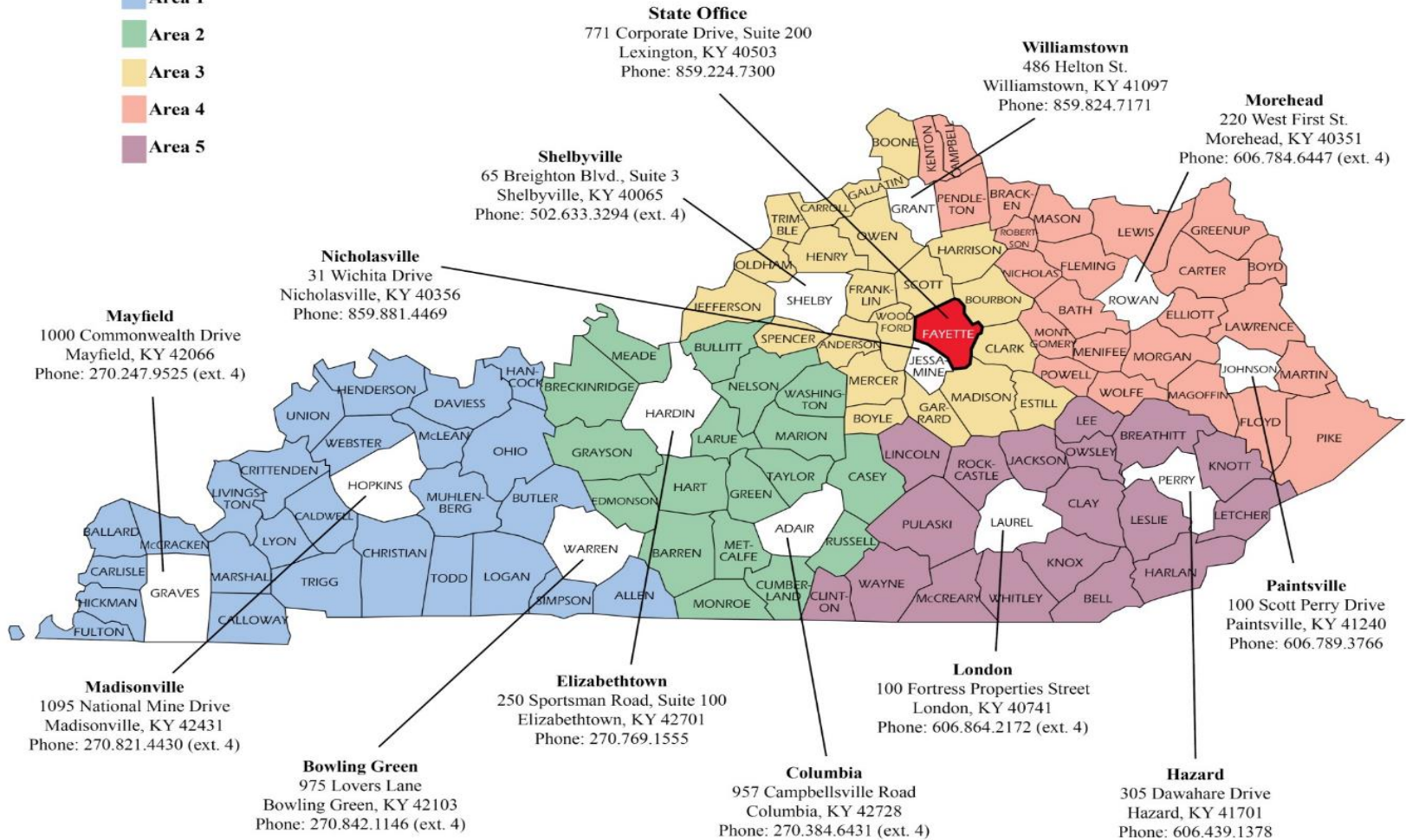
2.25%



(effective from 07/01/2020 - 09/30/2020)

RD Office Locations in Kentucky

- Area 1
- Area 2
- Area 3
- Area 4
- Area 5





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Thank you
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USDA Rural Development is committed to the future of rural communities.

Questions

