



Infrastructure Funding for Substantially Underserved Trust Areas

What does this program do?

The Rural Utilities Service (RUS), an agency within USDA Rural Development, was given new tools through the 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008) to finance improvements in electric, telecommunications, and water and sewer infrastructure in substantially underserved trust areas — land held in trust by the United States for Native Americans. This part of the 2008 Farm Bill is known as the “Substantially Underserved Trust Area (SUTA) provisions.” The provisions are designed to make RUS infrastructure financing more accessible to, and affordable for, Native Americans in trust areas because those areas, historically, have had difficulty receiving Federal assistance.

Benefits of the SUTA Provisions

Under the SUTA provisions, USDA has the flexibility to:

- Offer loan interest rates as low as 2 percent;
- Waive certain documentation requirements regarding non-duplication of service;
- Waive the matching funds or credit support requirements for loans;
- Extend the time period in which loans are repaid; and
- Provide the highest priority for funding to eligible projects that will serve trust areas.

RUS published a final rule in the Federal Register in June 2012 that provides detailed information about how it is implementing the SUTA provisions. Additional SUTA resources, including the final rule and a questions and answers document, are available online at www.rd.usda.gov/about-rd/initiatives/substantially-underserved-trust-area-suta.

What Does “Substantially Underserved” Mean?

A “substantially underserved” trust area is a community in a trust area that the Secretary of Agriculture determines has a high need for assistance. “Underserved” is defined as an area or community lacking an adequate level or quality of service. This can include areas where an existing provider has not, or will not, offer an adequate level or quality of service (normally, USDA cannot fund projects that are considered to duplicate existing services through another provider in the same area).

Which Programs are Included?

The following USDA programs can offer benefits through SUTA to qualified applicants:

- Rural Electrification Direct and Guaranteed Loans;
- High Energy Cost Grants;
- Water and Waste Disposal Direct and Guaranteed Loans;
- Water and Waste Disposal Grants;
- Broadband Direct and Guaranteed Loans; and
- Telecommunications Infrastructure Direct and Guaranteed Loans

Can Non-Tribal Applicants Request SUTA Consideration?

Yes. Applicants who are eligible under RUS’s regular loan and grant program authorities may request consideration under the SUTA provisions. However, to ensure the feasibility of any project that will be carried out, non-tribal applicants must provide RUS with documentation showing that Tribes in the service area agree to the proposed project.



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How Do Applicants Request SUTA Consideration?

Applicants may determine if they qualify for consideration under the SUTA provisions by contacting an RUS General Filed Representative (www.rd.usda.gov/contact-us/electric-gfr or www.rd.usda.gov/contact-us/telecom-gfr), RUS National Office Staff (www.rd.usda.gov/contact-us/national-office/rus) or the USDA Rural Development State Office (www.rd.usda.gov/browse-state).

Applicants may also write to:

USDA Rural Development Rural Utilities Service

Room 5135-S, Stop 1510
1400 Independence Ave. SW
Washington, DC 20250-1510
Phone: (800) 670-6553 (Toll Free)
Fax: (202) 720-1725

Written Materials Required to Apply

Applicants must submit a completed application to USDA that meets all the requirements under the loan or grant program through which they are requesting funding. Applicants must also notify USDA, in writing, that they are seeking SUTA consideration, and include the discretionary SUTA authorities (for example, a 2 percent interest loan) that they would like to have applied to their proposal.

Written requests may be memoranda or letters, and must include the following:

- A description of the applicant, documenting eligibility;
- A description of the community to be served, documenting eligibility;
- An explanation and documentation of the high need for the benefits of the program, which may include but is not limited to:
 - Data documenting a lack of service or inadequate service in the affected community;

- Data documenting significant health risks to community residents due to a lack of access to, or service by, an adequate, affordable service; and
- Data documenting economic need in the community (for the types of data suggested to document high need, see the “Application Requirements” section of the final rule).
- The impact of the specific SUTA authorities requested for the proposed project;
- Documentation substantiating that when the SUTA authorities are factored into the proposed financing, the project is financially feasible; and
- Any additional information RUS may consider relevant to the application which is necessary to adequately evaluate the application.

RUS may also request modifications or changes, including changes to the amount of funds requested, in any proposal outlined in applications for consideration.

Consideration of Applications

Applicants are welcome and encouraged to provide additional information that demonstrates high need for the benefits of the desired loan or grant program.

Once a complete application and SUTA request have been received, USDA staff will conduct a review to determine if the applicant is eligible to receive SUTA consideration. Applicants will be notified if SUTA consideration has been approved or denied. Next, USDA will evaluate requests for specific SUTA authorities to determine if the proposal is financially feasible at the special rates or terms. USDA will then determine which of the SUTA provisions will be granted. USDA may grant all, some, or none of the SUTA authorities originally requested by the applicant.



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For More Information

For more information on SUTA, visit www.rd.usda.gov/about-rd/initiatives/substantially-underserved-trust-area-suta or contact Rural Development's Native American Coordinator by e-mail at AIAN@wdc.usda.gov or by phone at (720) 544-2911.

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov (link sends e-mail).

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 [General Field Representative](#) 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.*