United States Department of Agriculture

Rural Development

USDA Rural Development

PENNSYLVANIA
2015 PROGRESS REPORT

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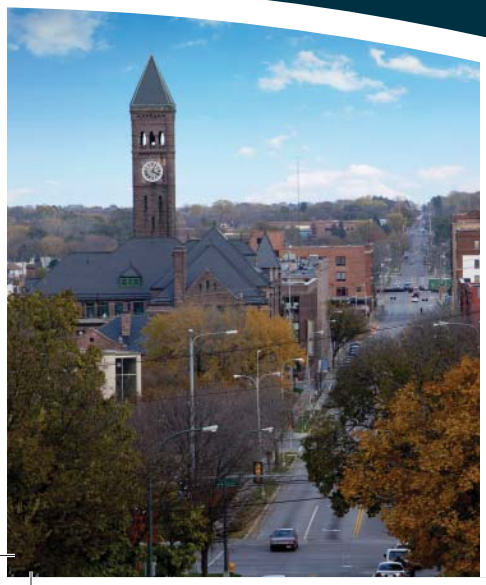
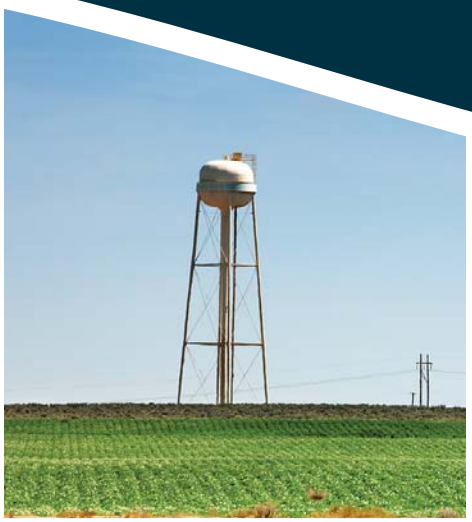
Rural Development

Pennsylvania

2015 Progress Report





A Rural Economy Built to Last

This has been a year of historic accomplishment for the United States Department of Agriculture (USDA), particularly in the area of rural economic and community development. In 2015, USDA's Rural Development (RD) employees across the nation have continued to work closely with partners to drive investment in rural small businesses and entrepreneurs; help rural families achieve the dream of homeownership; grow the biobased economy; support renewable energy and efficiency; make critical upgrades to electric, water and telecommunications infrastructure; and expand opportunity in rural communities.

The Fiscal Year 2015 USDA Rural Development Progress Report outlines our work on behalf of hundreds of thousands of projects for individuals, families, farmers and ranchers, rural entrepreneurs and small business owners, municipalities, developers, and utility providers in 2015. Since passage of the American Recovery and Reinvestment Act in 2009, which infused billions of dollars into infrastructure and other essential community development projects in small towns across the country, and continuing today through innovative programs authorized by the 2014 Farm Bill and executed in collaboration with partners across the public and private sectors, RD has targeted much-needed investment to rural businesses, projects and communities. I am pleased to say that in fiscal year 2015, USDA Rural Development invested $29.75 billion in nearly 171,000 projects across the nation. Taken with investments made since fiscal year 2009, USDA Rural Development has now invested more than $224 billion in more than 1.2 million projects in rural communities across the country over the course of the Administration, including 1.1 million direct loans, guaranteed loans and grants to support housing, 11,931 loans and grants to support community facilities, 10,623 loans and grants to support rural water and wastewater services, 2,491 projects to support broadband and rural electric services, and nearly 24,000 projects to support rural businesses and entrepreneurship.

The stories in this year's report illustrate how USDA programs make meaningful, lasting investments in rural communities. For instance, Manning, Iowa — population 1,500 —was named Iowa's small business community of the year by the Small Business Administration in 2015, thanks, in part, to RD investments in entrepreneurs and businesses in the community. In Pennsylvania, Rural Development Business and Industry investments helped a business move its manufacturing back to the United States from China, supporting jobs in the local community. And RD investments in broadband have opened up a world of educational, cultural and commercial opportunities to rural Americans who had been on the wrong side of the digital divide.

These are just a few examples of what investments in rural America can mean in real terms for families and businesses across the country. USDA is proud to lead the Administration's effort to drive investment in rural people and places. This work truly makes a difference in the lives of the proud men and women who live, work and raise families in rural America.

Sincerely,

Thomas J. Vilsack
Secretary of Agriculture

Strengthening Rural America, Town by Town

USDA Rural Development transformed lives in small-town rural America in 2015, as we have done throughout our 80-year history.

We are the primary Federal agency responsible for creating opportunities and improving the quality of life in rural areas. Today, there are 46 million people living in rural America who provide the food, fiber, fuel and durable goods the rest of the nation, and the world, depend upon. Consequently, the economic well-being of all Americans is indelibly tied to rural growth. USDA Rural Development investments nurture that growth to fuel the national economy. We are proud to serve the needs of rural people and places to ensure that rural America continues to thrive and to drive the economy. Our investments in rural communities run deep – we manage a portfolio of loans and loan guarantees of more than $212.9 billion.

In Fiscal Year (FY) 2015, USDA Rural Development invested more than $29.7 billion in loans, loan guarantees, and grants for a diverse range of worthwhile projects in rural communities. These investments represent the hard work of our employees who strive each day to support the hopes and plans of rural Americans.

For example, we helped grow approximately 12,500 rural businesses through about $1.5 billion in targeted investments. I had the great pleasure of meeting and spending time with Ijeoma Uwakwe of Wilson, North Carolina, who today owns her own drug store and pharmacy thanks to a Business and Industry loan guarantee from USDA Rural Development and lending partner Southern Bank. Uwakwe, originally from Nigeria, exemplifies the American spirit. She pursued two advanced degrees while raising four children, no small feat. With USDA's help, today, as the owner of a small healthcare business, she is providing high-quality care to her neighbors in the small rural community of Wilson, where healthcare options, and economic resources, are scarce. Her story is just one of many such stories of personal achievements featured in this report, all made possible through USDA Rural Development direct action and competitive financing.

On other fronts, we awarded $900 million in direct single-family housing loans and made more than $18.6 billion in loan guarantees to provide homes to more than 141,000 families in rural America.

We also celebrated a major housing milestone in partnership with many of you — 50 years of USDA's Mutual Self-Help Housing Program and 50,000 homes built through it. We were honored to raise walls together with families that are putting in hard work to build their own homes and achieve the dream of homeownership. Through our multi-family loans and grants of $278 million we helped almost 250,000 households with the construction and rehab of over 10,000 rental housing units.

Through our Community Facilities program, we provided a record level of support — $1.8 billion — to build more than 970 essential healthcare centers, schools, libraries, public safety facilities and more across rural America. In the tiny agricultural town of Big Sandy, Montana, I visited Big Sandy Activities, a center that helps people who are developmentally disabled build skills that allow them to live and work in the community. This nonprofit started in 1975 and used to be run out of a garage by only two people; Community Facilities funding helped transform it into a specially designed facility that provides a safe and professional learning environment and offers jobs to local

residents.

Delivery of high-speed telecommunications and broadband service is another area where USDA Rural Development has shined. Since the start of the Obama Administration and continuing through FY 2015, we have supported new or improved telecommunications and broadband service for 2.8 million rural residents, bringing the world to their doorsteps and opening the door to global e-commerce for rural businesses.

We are particularly proud that loans under the American Reinvestment and Recovery Act Broadband Improvement Program have been extremely successful, and offer the potential for exponential rural growth in the future. We have successfully invested nearly $3 billion in 254 projects in 45 States and territories to deliver high speed Internet to rural areas otherwise unable to acquire service at competitive rates and terms from the private sector. As companies build out these services, 260,000 rural households, 17,500 businesses and 1,900 schools, libraries and health care facilities have new service.

Other 2015 achievements include improving rural electric infrastructure for 5.5 million customers, protecting the health of about 2.3 million rural people though water and wastewater system improvements, and providing more than $343 million in guaranteed loans and grants for projects to develop renewable energy sources such as advanced biofuels and to make rural farms, ranches, dairies, and rural businesses more energy efficient. Since 2009, USDA Rural Development has supported President Obama's strategy to provide energy that's affordable, clean, and drives innovation through $2.1 billion in strategic investments for more than 14,000 energy projects nationwide.

I am proud of the difference that USDA Rural Development makes in the lives of real people. In the time that I've been with USDA, I've witnessed this on a very personal level. I watched the townspeople of Floresville, Texas, turn out in force to launch their improved water treatment system. I visited the Peoples Rural Telephone Cooperative in Jackson County, Kentucky, which built a state-of-the-art broadband network that offers locals the same online economic, educational and social opportunities as those enjoyed by urban residents. Each of these investments in rural communities is an investment in our country's future.

USDA Rural Development is a lending agency that cares deeply about the rural people and communities we serve. We are proud to share these stories and successes with you.

Sincerely,

Lisa Mensah

Rural Development Under Secretary

Living Better in Rural Pennsylvania

It is a great time to be a rural resident in the state of Pennsylvania. Over the past year, USDA Rural Development has invested over $1 billion to improve the quality of life for Pennsylvania's rural communities. Whether it is small business, rural housing, community facilities, value-added products, waste treatment, renewable energy, fresh food, or any other of USDA Rural Development's many program areas, we are proud to serve communities from all areas of the Keystone State, and proud to highlight the work we have done in the past year.

In fiscal year 2015, USDA Rural Development made over $32 million in investments for businesses, value-added products, and renewable energy; creating and retaining jobs in the process. We invested almost $200 million in Pennsylvania's rural areas through 58 different community facility projects, helping communities expand with libraries, firehouses, municipal complexes, and college dormitories. Fourteen water and waste treatment projects have been constructed in fiscal year 2015, ensuring that these rural communities have access to clean and safe water. And finally, when over 5000 Pennsylvania families looked to improve their lives, USDA Rural Development was there to provide loans and grants totaling over $676.5 million for the construction, repair, and purchase of rural housing all across the state.

USDA Rural Development in Pennsylvania continues to strive for excellence in every way, every day! Whether we are working to create jobs, funding innovative education, or cleaning up Pennsylvania's waterways that flow into the Chesapeake Bay, we do it with the state's rural residents in mind.

As a final note, the fine work and dedication of the USDA Rural Development staff in Pennsylvania is commendable. It is through their constant commitment and dedication that these projects are possible. Through USDA Rural Development, President Obama and the Pennsylvania staff of USDA Rural Development have invested over $6 billion since 2009 to improve the quality of life in rural Pennsylvania.

Sincerely,

Thomas P. Williams

Pennsylvania State Director

USDA Rural Development

Rural Business and Cooperative Programs

In Fiscal Year 2015, USDA Rural Development invested $32.4 million in Pennsylvania's rural businesses, supporting 103 projects. Business and Cooperative Programs serve Pennsylvania communities by creating new businesses, growing production, maintaining jobs, conducting feasibility studies, improving rural energy development, creating professional business plans, and increasing revenue for rural business ventures.

Creating and Expanding Businesses in the Keystone State

Business and Cooperative Programs enjoyed another successful year in 2015. Rural Development in Pennsylvania invested over $32.4 million from 103 projects ranging from business guarantee loans, to rural energy grants, to value-added producer grants.

In June, the Commission on Economic Opportunity of Luzerne County received a $99,000 Rural Business Development Grant for the purchase of machinery and equipment to support the Weinberg Regional Food Bank and distribution center. The food bank provides assistance to faith-based and non-profit community organizations to distribute to needy families. By collecting donations of wholesome but unmarketable food from the food industry and distributing it to these organizations, the food bank is able to fight hunger, promote nutrition, and reduce food waste.

"USDA Rural Development has helped us tremendously as we strive to build a new system for connecting local farmers and local produce to families in need," said Gene Brady, Executive Director of the Commission on Economic Opportunity. "Rural Development funds are helping us equip the new center with important equipment for handling and distributing fresh, local food."

In Monroe County, Business and Cooperative Programs was able to obligate a loan of $3.5 million to Pocono Services for Families and Children, Inc., a non-profit organization that serves vulnerable and low income families by providing child development services. This loan financed the acquisition and the renovation of a former elementary school building. The funding retained 57 jobs while creating 18 new jobs. The facility, when renovated, will be used for classroom space with the remaining portion leased to other tenants. With the help of the funding provided by USDA Rural Development, Pocono Services for Families and Children becomes closer to achieving their vision as Monroe County's foremost educator and provider of child-focused services.

Rural Housing Programs

USDA Rural Development improved rural housing in Pennsylvania with $676.5 million in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Pennsylvania. Rural Development provides funding for single-family homes, apartments for lower-income families or the elderly, and housing for farm laborers. In Fiscal Year 2015, the agency obligated 153 direct loans and 4,880 guaranteed loans to finance homes for rural Pennsylvania families.

Better Lives in Rural PA

In fiscal year 2015, the agency funded 256 loan and grant projects to repair, improve, and modernize existing homes in rural Pennsylvania. In Somerset County, Rural Development approved a grant for Carolyn Leasure to replace her deck. Before USDA stepped in, her deck had rotted so badly that she fell through it, sustaining puncture injuries to her abdomen that ended up becoming life-threatening after she developed sepsis.

As a disabled woman over the age of 62, Carolyn qualified for a USDA Rural Development Home Repair Grant to remove health and safety hazards. The entire deck was replaced while Carolyn simultaneously underwent IV therapy treatment at the residence. “My experience with the agency was wonderful,” said Leasure. “[Rural Development] put a lot of effort into my case, and helped me so much going through the papers and everything else.”

“Thanks to USDA from the bottom of my heart,” says Leasure (above right). “Now I can feel the warm sun on my legs as I sit on the new deck”

In addition to repairing existing homes across the Keystone State, Rural Development was also busy helping many Pennsylvania residents become first-time homeowners. June is National Homeownership Month, and Pennsylvania kicked off the festivities with a Self-Help Housing event in Fayette County.

In the rural area of Redstone Township, representatives from USDA - including Rural Development State Director Tom Williams and Housing Administrator Tony Hernandez - gathered with representatives from housing partners Threshold and The National Council on Agricultural Life and Labor (NCALL) to celebrate a number of milestones. Threshold was celebrating their 150th issued grant, while NCALL celebrated 50,000 self-help homes nationwide. Special recognition was given to the six local families who together built their own homes through USDA’s Mutual Self-Help Housing Program and are now proud homeowners in the state of Pennsylvania.

Community Facilities Programs

During Fiscal Year 2015, USDA Rural Development invested over $199 million in rural Pennsylvania through 58 community facilities loans and grants. Community Facilities programs help build, expand, rehabilitate, purchase, and support the development of police and emergency fire stations and equipment, museums, child care centers, hospitals, clinics, schools, and more.

Strengthening Pennsylvania's Communities

At Clarion University in Clarion, Pennsylvania, the Community Facilities program funded the brand new "Suites on Main" dormitory project. This $66,375,000 project provided the university with a brand new student housing complex for on-campus living. USDA Rural Development approved a total of $45 million in funding for the complex, while an additional $21,375,000 in funding was provided by public market bonds.

Amenities in the 728-person capacity building include geothermal HVAC, a large divisible multipurpose room, a 182-seat lecture hall and theater, a campus bookstore, a Denny's Den, and a Starbucks. Each of the four floors also feature laundry facilities and study spaces that offer scenic views of the surrounding Appalachian country.

The new dorms officially opened on September 10th, 2015, the 148th anniversary of Clarion's founding day.

"Clarion is a 'communiversity'", University President Dr. Karen Whitney said. "We rise together, and we fall together. Today, we rise together."

Before representatives joined her for the ceremonial ribbon-cutting, University President Dr. Karen Whitney summarized the project. In East Berlin, Pennsylvania, two long-term, low interest community facilities loans allowed the East Berlin Community Library to begin significant expansions to keep up with the growing community. These expansions were funded by two, $500,000 community facilities loans for a total funding of $1 million.

Plans for the new library include extending the total area to 7,000 square feet, and adding more parking around the building. Additional plans include a children's room, an adult study and program room, staff office space, and more computer terminals for public use. Finally, the entire facility will be renovated to meet the Americans with Disabilities Act compliance codes. These improvements will help the East Berlin Community Library and its staff to provide modern assistance to patrons who utilize the facility.

Rural Utilities Programs

USDA Rural Development invested over $74 million during Fiscal Year 2015 through 14 infrastructure projects to provide reliable and clean drinking water, waste treatment systems, electric power, and telecommunications services in Pennsylvania.

Clean Water and Efficient Waste Disposal for all of Rural Pennsylvania

In Chester County, Pennsylvania, Water and Environmental Program funds were used to provide the community of Oxford with a new wastewater treatment plant. The project totaled $32 million, with $27 million of the total funding coming from USDA Rural Development and the American Recovery and Reinvestment Act of 2009.

Chester County is perennially ranked as one of the best counties to live in the United States, climbing as high as 4th nationally in 2014. Project leadership, which included Oxford Area Sewer Authority Chairman Percy Reynolds and Oxford Area Sewer Authority Executive Director Ed Lennex, spoke about the sense of community pride in both the Oxford area and Chester County as a whole. The common theme was to continue being recognized as a model community on a national scale, and clean water paired with efficient waste disposal systems are essential when serving a growing community.

The funding provided by USDA Rural Development for the new treatment plant provided this service. The $27 million Water and Waste Disposal loan resulted in a new treatment plant that includes a new headworks building, operations building, dewatering building, upgraded tanks and piping, a 39.4 million gallon storage lagoon, and spray irrigation fields. These developments allow the Authority to serve 3,278 users in East and West Nottingham Townships, Lower Oxford Township, and the Oxford Borough.

"We sit in a prime area for commercial and industrial growth," Lennex said. "The potential is great and this is what was needed to be put in place to reach that potential." This project will allow economic development and growth while still maintaining a balance of agricultural resources and protecting the streams and waterways into the Chesapeake Bay.

The Spirit of Innovation is Alive in Wayne County Thanks to The Stourbridge Project

The efforts of a few dedicated individuals in Honesdale, Pennsylvania are making parts of the Great Appalachian Valley look a bit more like Silicon Valley.

The Stourbridge Project is the latest example of these efforts, and the result is an unprecedented opportunity for local businesses and entrepreneurs alike to grow and expand their different visions with cutting-edge technology.

Wayne County may seem like an unlikely place to see the technological fittings of a Silicon Valley startup, but that is what the people at the Wayne Economic Development Corporation (WEDCO) feel is exactly what the county needs. They've identified Wayne County as a place of untapped potential for real innovation and business acumen, and The Stourbridge Project is a step toward fulfilling that potential.

USDA Rural Development in Pennsylvania helped WEDCO get their chance at fulfilling this potential with a $50,000 Rural Business Enterprise Grant. Additional funding came in through the Appalachian Regional Commission (ARC), the PA Department of Community & Economic Development (DCED), and the Northeastern Pennsylvania Alliance (NEPA). This collaborative effort is one USDA Rural Development is proud of, and one that hopefully serves as an example for future collaborations that will happen inside the walls of The Stourbridge Project.

The Stourbridge Project is a state-of-the-art business incubator that features technology such as music mixing software, 3-D printing, and dynamic video and media equipment.

An injection of the 21st century has been made possible in Wayne County through The Stourbridge Project, giving local businesses and entrepreneurs a place to expand their ideas.

2015 Pennsylvania Funding

Program	Amount	Number of Projects
B&I Loan Guarantees	$25,760,000	7
Intermediary Relending Program	$2,173,933	4
Renewable Energy Loans & Grants	$3,135,243	72
Business Grants	$709,000	10
Value-Added Producer Grants	$689,428	10
Single-Family Housing Direct Loans	$21,184,232	153
Single-Family Housing Guaranteed Loans	$641,994,935	4,880
Single-Family Housing Repair Loans & Grants	$1,454,722	256
Single-Family Housing Self-Help Grants	$150,000	2
Multi-Family Housing Direct Loans	$8,235,775	12
Multi-Family Housing Guaranteed Loans	$3,500,000	1
Rental Assistance	$26,530,944	223
Community Facility Direct Loans	$182,327,220	34
Community Facility Guaranteed Loans	$16,950,000	1
Community Facility Grants	$683,800	23
Water and Waste Direct Loans	$57,262,000	14
Water and Waste Grants	$16,864,800	10
All Other Programs	$707,067	16
TOTAL	**$1,010,313,099**	**5,728**

Rural Housing and Community Facilities Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single-Family Housing Direct Loans (including Self-Help Loans)	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 up to 35,000.	Direct loan.	Up to 100% of market value or cost. Loan term of 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single-Family Housing Loan Guarantees	To assist moderate-income applicants/ household 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 up to 35,000.	Loan guarantee.	30-year, fixed. The interest rate is negotiated between lender and borrower. Loans up to 100% of market value plus the amount of the up-front guarantee fee being financed.
Single-Family Repair Loans and Grants	To help very low-income applicants remove health and safety hazards or repair their homes.	Families and individuals who currently own their home.	Repair/replace roof, winterizing, purchase or repair heating system, structural repair, water/ sewage connect fees, etc.	Rural areas with populations of up to 35,000.	Direct loan and grant.	Loans up to $20,000 up to 20 years at 1%. Grants available to very low-income applicants 62 years or older unable to pay 1% loan.
Self-Help Technical Assistance Housing Grants	Assist lower-income families in building their own homes.	Non-profits and public bodies.	Technical assistance to help small groups of families to build each other's homes.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
Rural Rental Housing Direct Loans	Safe, well-built, affordable rental housing for very-low-income individuals and families.	Individuals, trusts, associations, limited partnerships, for-profit and non-profit entities, tribes, public bodies.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of up to 35,000.	Direct loan.	Up to 100% of total development cost (non-profits); 97% (for-profits); 95% (for-profits with Low-Income Housing Tax Credits). 30-year term with up to 50-year amortization.
Rural Rental Housing Loan Guarantees	Provides 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 up to 35,000.	Loan guarantee.	At least 25-year term with fixed interest rate. Loan guarantees up to 90% of the principal.
Housing Preservation Grants	Repair and rehabilitate housing owned or occupied by very low- and low-income rural families.	Public bodies and non-profit organizations.	Operation of a program which finances repair and rehabilitation activities for single-family and small rental properties.	Rural areas with populations of up to 35,000.	Grant.	Grant agreement.
Farm Labor Housing Loans and Grants	Safe, well-built affordable rental housing for farmworkers.	Individuals, public and private non-profit organizations.	New construction or substantial rehabilitation of rental housing.	Not applicable.	Direct loan and grant.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.
Community Facilities Loans and Grants	Improve, develop, or finance essential community facilities for rural communities.	Public bodies, non-profits, and Federally recognized Indian Tribes.	Construct, enlarge or otherwise improve essential community facilities, such as public safety, fire and rescue, telecommunications, schools, libraries, hospitals, other health care facilities, etc. This may include furnishings, fixtures and other required equipment.	City, town or unincorporated area of not more than 20,000 in population. Facilities must primarily serve rural residents.	Direct loan, loan guarantee, or grant.	Up to 100% of market value. Term is for useful life of the facility or equipment, the State statute, or 40 years. Maximum grant 75% of project cost. Grant eligibility based on income, population, and need.
Rural Community Development Initiative	To facilitate housing, community facility and community and economic development projects.	Private non-profit or public organizations, philanthropic foundations, low-income communities.	Technical assistance grants of $50,000 to $300,000 to develop the capacity and ability of the awardees to carry out needed projects.	City, town, or unincorporated area of not more than 50,000 in population.	Grant.	Matching funds required for grant.

Direct Loans and Grants: Apply to Rural Development.
Loan Guarantees: Apply to participating intermediaries such as approved banks, mortgage companies, etc.

Rural Business and Cooperative Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Loan Guarantees	Create jobs/ stimulate rural economies by providing financial backing for rural businesses.	Lenders/ Businesses.	Real estate, buildings, equipment, supplies, working capital, and some debt refinancing.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loan guarantee.	Lender and borrower negotiate terms. Up to 30 years for real estate, 15 years for machinery and equipment, and 7 years for working capital.
Rural Business Development Grants	Assist the startup or expansion of small and emerging private businesses and/or non-profits in rural communities. Note: This program combines the former Rural Business Enterprise Grant and Rural Business Opportunity Grant programs and was created through the 2014 Farm Bill.	Public bodies, government entities, non-profit entities, and Federally recognized Indian Tribes.	Acquire or develop land, buildings, plants and equipment; build or improve access roads, parking areas, utility extensions, and water and waste disposal facilities; provide technical assistance; establish revolving loan funds; and to support rural distance learning programs that provide educational or job training.	All areas rural in character except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis.
Intermediary Relending Program Loans	Establish revolving funds for business facilities and community development projects.	Public bodies, non-profit corporations, Native American Tribes, and cooperatives.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and incorporated places with populations of less than 50,000.	Direct loan.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Microentrepreneur Assistance Program	Establish revolving funds to target assistance to small rural enterprises.	Microenterprise Development Organizations (MDOs).	Loans, technical, and capacity-building assistance to businesses with 10 or fewer employees and sole proprietorships.	All areas except cities over 50,000 and their contiguous urbanized areas.	Loans, grants.	Rural microenterprises apply directly to the intermediary.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	Rural Utilities Service-financed electric and telephone utilities.	Business startups or expansion projects that create rural jobs.	Rural areas with priority to places with populations of 2,500 or less.	Direct loan or grant to establish revolving loan fund.	Intermediary makes loans to for-profit or non-profit businesses and public bodies. Loans are 0% for 10 years.
Rural Cooperative Development Grants	Establish/ operate centers for cooperative development.	Non-profits and institutions of higher education.	Establish centers to provide technical assistance, training, applied research, and collection and interpretation of data, for the purpose of cooperative development.	All areas except cities over 50,000 and their contiguous urbanized areas.	Grant.	Minimum 25% fund match (5% for 1994 Institutions). Grants awarded competitively.
Socially Disadvantaged Groups Grants (formerly called Small, Socially Disadvantaged Producer Grants Program)	Provides funds to eligible cooperatives or an association of cooperatives to provide technical assistance to small, socially disadvantaged producers in rural areas.	Cooperatives and associations of cooperatives whose membership and board of directors is comprised of at least 75% socially disadvantaged agricultural producers.	Technical assistance.	All areas, except cities over 50,000 and their contiguous urbanized areas.	Grant.	Grants are awarded on a competitive basis. There is no matching requirement.

Rural Business and Cooperative Programs (continued)

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Value-Added Producer Grants	Help independent agricultural producers enter into activities that add value to their crops.	Independent producers, farmer and rancher cooperatives, producer groups, majority-controlled producer-based business ventures.	Feasibility studies, business plans; working capital.	All areas.	Grant.	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.
Rural Energy for America Program (REAP) Loan Guarantees and Grants	Provide assistance for energy efficiency improvements or purchase of a renewable energy system for operations.	Rural small businesses and agricultural producers.	Energy efficiency improvements, renewable energy systems, land acquisition and working capital.	Cities, towns, unincorporated areas with population less than 50,000. (Population limits do not apply to agricultural producers)	Loan guarantee and/or grant..	Grants up to 25% of project costs not to exceed $250,000 for energy efficiency projects and $500,000 for renewable energy. Loan guarantees up to 75% of project cost not to exceed $25 million.
REAP Audit/ Development Grants	Provide grant to entity to pass through to a small business or agricultural producer for 75% of the cost of an energy audit or renewable energy development assistance.	State, tribal, or local government institutions of higher education; rural electric cooperatives; or public power entities.	$100,000 grant to entities, smaller ones to small business and agricultural producers for 75% of energy audit or renewable energy development assistance.	Cities, towns, unincorporated areas with population less than 50,000.	Grant.	$100,000 to entities and up to 75% of the cost of energy audit for renewable energy development assistance.
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees (formerly called Biorefinery Assistance Program)	Provide loan guarantees for the development and construction of commercial-scale biorefineries or to retrofit facilities using eligible technology for the development of advanced biofuels.	Individuals, Indian Tribes, State or local governments, corporations, farm cooperatives, associations of agricultural producers, national laboratories, higher learning institutions, rural electric co-ops, public power entities, consortiums of any of the entities.	Loan guarantees to develop and construct commercial-scale biorefineries or retrofit facilities to use eligible technology for the development of advanced biofuels.	No restrictions.	Loan.	90% (maximum) guarantee on loans up to $125 million; 80% (maximum) guarantee on loans less than $150 million; 70% (maximum) guarantee on loans of $150 million but less than $200 million; 60% (maximum) guarantee on loans of $200 million up to $250 million.
Repowering Assistance Program	Provide payments to biorefineries to replace fossil fuels with biomass.	Biorefineries.	Grant to biorefineries, including ethanol and biodiesel plants that use electricity generated from natural gas and coal and require this for the fermentation process.	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review.
Advanced Biofuel Payment Program	Provide payments to producers of advanced biofuels.	Eligible producers of advanced biofuels.	Grant to producers of advanced biofuels (non-cornmercial-based).	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review. Grant awards determined by National Office.

Direct Loans and Grants: Apply to Rural Development.
Loan Guarantees: Apply to participating intermediaries such as eligible banks, etc.
Revolving Funds (IRP, REDLG, RMAP): Intermediaries apply to Rural Development, others to the intermediaries.

Rural Utilities Programs

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Water and Waste Disposal Loans and Grants	Provide infrastructure for rural areas.	Public entities, Indian Tribes and non-profit corporations.	Build, repair and improve public water systems and waste collection and treatment systems.	Rural areas, and towns with up to 10,000 population.	Direct loan and grant.	Repayment period is a maximum of 40 years. Grant funds may be available.
Water and Waste Disposal Loan Guarantees	Provide infrastructure for rural areas.	Public entities, Indian Tribes and non-profit corporations.	Construct, repair and improve water supply and distribution systems and waste collection and treatment systems.	Rural areas, and towns with up to 10,000 population.	Loan guarantee.	Eligible lenders obtain up to a 90% guarantee on loans they make and service.
Solid Waste Management Grants	Provide technical assistance and/or training to those who operate and maintain active landfills.	Public bodies, private non-profit organizations, Indian Tribes, academic institutions.	Technical assistance and training to improve landfill conditions and protect against threats to nearby water resources.	Rural areas, and towns with up to 10,000 population.	Grant.	Applications accepted year-round. Complete applications submitted to National Office for review.
Technical Assistance/ Training/Circuit Rider	Provide technical assistance and training.	Public, private, and non-profit organizations.	Provide technical assistance and training to assist with management of water and waste projects.	Rural areas and towns with up to 10,000 population.	Grant.	As funds are available. Complete applications submitted to National Office for review.
Rural Broadband Direct Loans and Loan Guarantee	Deployment of broadband service to eligible rural communities. Note: The 2014 Farm Bill revises program provisions. New rules are expected to be published in FY 2015.	Entities seeking to provide broadband services in rural areas.	Finance the construction, improvement and acquisition of facilities and equipment to provide broadband service in eligible rural communities.	Refer to the new rules, when available, for population limits.	Refer to the new rules, when available, for loan details.	Refer to the new rules, when available, for loan terms and conditions.
Electric and Telecommunications Loans	Assist rural communities in obtaining affordable, high-quality electric and telecommunications services.	Non-profit and cooperative associations, public bodies, and other utilities.	Generation, transmission facilities and distribution of electric power, including alternative, renewable, conservation and energy efficiency programs. Enhance 911 emergency service, digital switching equipment, and fiber optic cable, along with traditional main system telecommunications service.	Electric: areas served by an existing rural electric borrower, or rural areas other than a city or town of more than 20,000. Telecommunications: areas cities with population under 5,000.	Direct loan or loan guarantee.	Interest rates are established in accordance with 7CFR 1714. Contact RUS at www.rd.usda.gov or 1 (800) 670-6553.
Distance Learning and Telemedicine	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities, including municipalities, for-profit, and non-profit corporations that operate rural schools, libraries, health care clinics and other educational or health care facilities.	To provide end-user equipment and programming that delivers distance learning and telemedicine services into eligible areas.	Rural areas outside incorporated or unincorporated cities with populations up to 20,000.	Grant.	Awards range from $50,000 to $500,000. A minimum of 15% in matching funds is required.
Community Connect Grants	Provide public access to broadband in otherwise un-served communities.	Public bodies, tribes, cooperatives, non-profits, limited dividend or mutual associations; corporations and other legally organized entities	To build broadband infrastructure and establish a community center that offers free public access to broadband for two years.	A single community outside incorporated or unincorporated cities with population over 20,000 which does not have broadband.	Grant.	Minimum: $50,000; Maximum: $1 million. Amounts are published in Notices of Funding Availability and may vary.

Electric and Telecom Programs: Contact the Rural Utilities Service Administrator;
Water Programs: Contact the Rural Development State Office.

Rural Development Program Purposes

	Land & Bldgs.	Mach. & Equip.	Working Capital	Infrastructure	Tech. Asst./Train.
Rural Housing and Community Facilities 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	♦			♦	
Community Facilities Direct Loans, Loan Guarantees, Grants*	♦	♦	♦	♦	
Rural Community Development Initiative					♦
Rural Business and Cooperative Programs					
Business and Industry Loan Guarantees	♦	♦	♦	♦	
Rural Business Development Grants	♦	♦	♦	♦	♦
Intermediary Relending Program Loans	♦	♦	♦		
Rural Microentrepreneur Assistance Program	♦	♦	♦	♦	♦
Rural Economic Development Loans and Grants	♦	♦	♦	♦	♦
Rural Cooperative Development Grants				♦	♦
Socially Disadvantaged Groups Grants					♦
Value-Added Producer Grant			♦	♦	♦
Rural Energy for America Program Loan Guarantees/Grants	♦	♦		♦	♦
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program Loan Guarantees					
Repowering Assistance Program					
Advanced Biofuel Payment Program					
Rural Utilities Programs					
Water and Waste Disposal Direct Loans, Loan Guars., Grants	♦	♦		♦	
Solid Waste Management Grants					♦
Technical Asst./Training/Circuit Rider					♦
Rural Broadband Direct Loans and Loan Guarantees	♦			♦	
Electric and Telecommunications Direct Loans/ Loan Guarantees	♦	♦		♦	
Distance Learning and Telemedicine Loans/Grants		♦		♦	
Community Connect Grants	♦	♦	♦	♦	

* 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.

December 2015

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, 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.

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(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

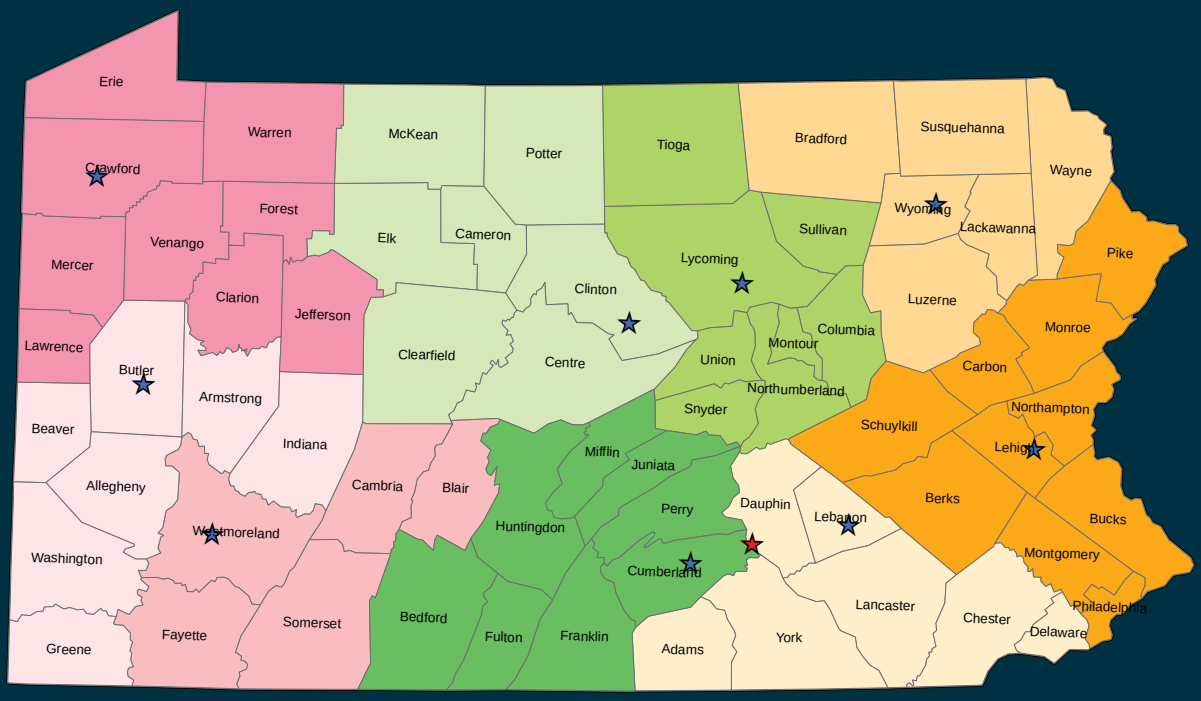
(3) email: program.intake@usda.gov (link sends e-mail).

USDA is an equal opportunity provider, employer and lender.

Contact us to learn more at:
USDA Rural Development
National Office
Mail Stop 0107
1400 Independence Avenue SW
Washington, DC 20250-0107

1 (800) 670-6553 (toll free)
www.rd.usda.gov

USDA Rural Development Pennsylvania Contacts



State Office
359 East Park Drive, Suite 4
Harrisburg, PA 17111-2747
(717)-237-2299

Butler Area Office
625 Evans City Road, Suite 101
Butler, PA 16001-8704
(724) 482-4800, Ext. 4

Clinton Area Office
216 Spring Run Road, Room 103
Mill Hall, PA 17751-9543
(570) 726-3196, Ext. 4

Crawford Area Office
14699 N. Main Street Extension
Meadville, PA 16335-9441
(814) 336-6155, Ext. 4

Cumberland Area Office
401 E. Louther Street, Suite 304
Carlisle, PA 17013-2652
(717) 218-3002

Lebanon Area Office
2120 Cornwall Road, Suite 7
Lebanon, PA 17042-9790
(717) 272-3908, Ext. 6

Lehigh Area Office
2211 Mack Boulevard
Allentown, PA 18103-5623
(610) 791-9810, Ext. 6

Lycoming Area Office
542 County Farm Road, Suite 205
Montoursville, PA 17754-9209
(570) 433-3006, Ext. 4

Westmoreland Area Office
214 Donohoe Road, Suite A
Greensburg, PA 15601-7552
(724) 853-5555, Ext. 4

Wyoming Area Office
21 Hollowcrest Road
Tunkhannock, PA 18657-6632
(570) 836-5111, Ext. 4

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Rural Development

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