



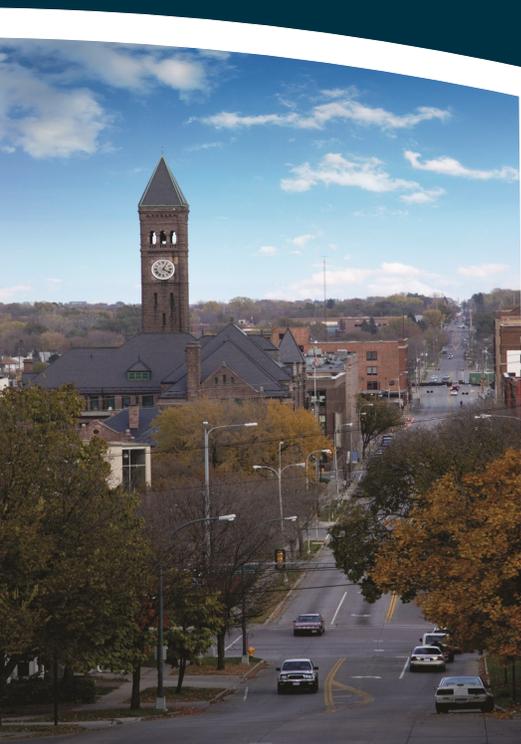
United States
Department of
Agriculture

Rural Development



USDA Rural Development

KENTUCKY 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 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, 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 through 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 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



Committed to Rural Kentucky

Traveling rural Kentucky offers some of the most picturesque views available anywhere in rural America. From the mountainous terrain in the east, to the rolling hills in the Bluegrass Region, to the sprawling farmlands in the west, rural Kentucky is as diverse in its topography as it is in the people who call it home. You will find in this report information referencing some of the many successes resulting from programs administered by the Rural Business-Cooperative Service, Rural Housing Service and Rural Utilities Service.

In 2015, USDA Rural Development continued its tradition of reaching deeply into the fabric of rural Kentucky to bring new resources and build stronger partnerships that offer new opportunities to families to own their own home, businesses to open or expand to create and save jobs, utility providers to build out infrastructure that supports the enhancement of telecommunications, electricity, and municipal water and waste water systems, and communities to provide essential community facilities that ensure greater health, safety and protection to local residents. All of these efforts are part of our employees' commitment to help increase economic opportunities and improve the quality of life for everyone in rural Kentucky. We recognize that these accomplishments and successes were made possible due to our partners at the Federal, state and local level.

Since fiscal year 2009, USDA Rural Development has invested more than \$5.5 billion in more than 28,340 projects in rural communities across Kentucky over the course of the Obama Administration, including: 26,840 direct loans, guaranteed loans and grants to support housing, 321 loans and grants to support community facilities, 417 loans and grants to support rural water and wastewater services, 371 projects to support broadband and rural electric services, and nearly 358 projects to support rural businesses and entrepreneurship. A significant portion of these resources and dollars were invested in rural areas and communities with high unemployment and high poverty. The special initiatives (Strikeforce, Promise Zone, Stronger Economies Together, and Great Regions) were very instrumental in accomplishing these goals. We are very proud and appreciative that Kentucky was designated as the first rural Promise Zone in the Nation.

The following report provides a glimpse into some of our efforts to support rural Kentuckians. The \$1.1 billion USDA Rural Development invested in 2015, will undoubtedly afford positive and lasting impacts. I am honored to have the opportunity to lead USDA Rural Development's efforts to help rural Kentucky residents and communities thrive and prosper.

Rural Development has a long and successful history and we have continued to build on that legacy.

Sincerely,



THOMAS G. FERN

State Director

Rural Business and Cooperative Programs

In Fiscal Year 2015, USDA Rural Development invested \$29 million in Kentucky's rural businesses, supporting over 100 projects. Business and Cooperative Programs serve Kentucky 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.

Business & Industry Loan Guarantees

The B&I Guaranteed Loan program bolsters the existing private credit structure through the guaranteeing of loans for rural businesses, allowing private lenders to extend more credit than they would typically be able to offer. Under the program, USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

Rural Business Development Grants

The RBDG program is a competitive grant program that provides targeted technical assistance, training and other services to help develop or expand small and emerging private businesses in rural areas. The businesses must have fewer than 50 employees and less than \$1 million in gross revenues. Grants are awarded to qualified organizations to carry out enterprise- or opportunity-related projects to boost business development.

Intermediary Relending Program

The IRP program provides 1-percent, low-interest loans to local intermediaries that re-lend to businesses and for community development projects in rural communities.

Rural Microentrepreneur Assistance Program

The RMAP program awards loans and grants to Microenterprise Development Organizations to establish revolving funds for micro-loans to "micro-enterprises," or very small rural businesses, and to provide technical assistance and training. The program supports start-up or expansion of very small rural business ventures.

Rural Economic Development Loans and Grants

The REDLG program finances economic development and job creation in rural areas. Under the program, USDA provides zero-interest loans and grants to local utilities to establish revolving loan funds to support local business development projects.



Rural Development State Director Tom Fern and Lynn Johnson, Natural Fiber Producers cooperative, examine raw Alpaca hair that has been sorted and cleaned.

Natural Fiber Producers cooperative – which is comprised of 318 producers of all types of animal fibers, primarily alpaca, llama, and sheep – invested their own money to make the down payment for the equipment. NFP worked with USDA to obtain a \$420,000 Business and Industry Loan Guarantee with financing from Springfield State Bank and the Kentucky Agricultural Finance Corporation.

Rural Cooperative Development Grants

The RCDG program is a competitive grant program to start or run centers for cooperative development. These centers improve economic conditions in rural areas by helping individuals and businesses start, expand or improve rural cooperatives and other mutually-owned businesses.

Socially-Disadvantaged Groups Grants

The SDGG program provides technical assistance to socially-disadvantaged groups through cooperatives and cooperative development centers.

Value Added Producer Grants

The VAPG program is a competitive grant program to help independent agricultural producers enter into activities that add value to their products through new processing and/or marketing opportunities.

Rural Energy for America Program Loan Guarantees and Grants

The REAP program provides loans and grants to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements.

Rural Energy for America Program Audit and Development Grants

Grantees that receive assistance through this competitive REAP grant program help rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance.



Under Secretary Lisa Mensah and State Director Fern visit with Equus Run Vineyard owner, Cynthia Bohn, who utilized a value-added grant to expand the marketing area of the Value-Added Kentucky Branded Fruit Beverages.

Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program

This program provides loan guarantees to develop, construct or retrofit commercial-scale biorefineries so that they can implement new and emerging technologies to support the development of advanced biofuels, renewable chemicals and biobased product manufacturing.

Repowering Assistance Program

This program provides funding for up to 50 percent of the total eligible project costs for biorefineries to install renewable biomass systems for heating and power at their facilities or to produce new energy from renewable biomass.

Advanced Biofuel Payment Program

This program supports increased production of advanced biofuels through payments to advanced biofuel producers for finished advanced biofuel products.



Modern technologies are offering grocery owners new opportunities to reduce energy costs and increase their ability to better serve their customers. Grocery store owners like Gwendolyn Christon of Isom IGA in Isom, Ky., are incorporating these cost-saving technologies into their stores. An \$84,494 Rural Energy for America grant will assist Christon with these energy efficiency improvements.

Rural Housing Programs

USDA Rural Development improved rural housing in Kentucky with \$515.2 million in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Kentucky. 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 over 550 direct loans and over 4,000 guaranteed loans to finance homes for rural Kentucky families.

Single-Family Housing Direct Home Loans

This program helps very-low- and low-income individuals and families buy, build and improve homes in rural areas. Payment assistance, a type of subsidy, may be provided for very-low-income applicants — based on their adjusted household income — to help them afford the monthly mortgage loan payments.



Single-Family Housing Loan Guarantees

This program helps moderate-income individuals and families buy, build and improve homes in rural areas. USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

Single-Family Housing Repair Loans and Grants

This program helps very-low-income rural individuals and families repair, improve or modernize their homes. Grants are provided to elderly very-low-income homeowners to remove health and safety hazards from their homes.

Mutual Self-Help Housing Technical Assistance Grants

This program provides grants on a competitive basis to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other's homes, with technical assistance from the organization overseeing the project. 45 homes have been built in Kentucky through this program.



Multi-Family Housing Loan Guarantees

The program provides financing to construct or renovate affordable multi-family rental housing for low- to moderate-income individuals and families in eligible rural areas. Under the program, USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

Multi-Family Housing Direct Loans

This program provides competitive financing to construct or renovate affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas.

Rental Assistance

Rental Assistance payments may be made to owners of USDA Rural Development-financed rural rental housing or farm labor housing apartment complexes on behalf of low-income tenants who are unable to pay market-rate rent to help them meet their monthly rent payments.

Housing Preservation Grants

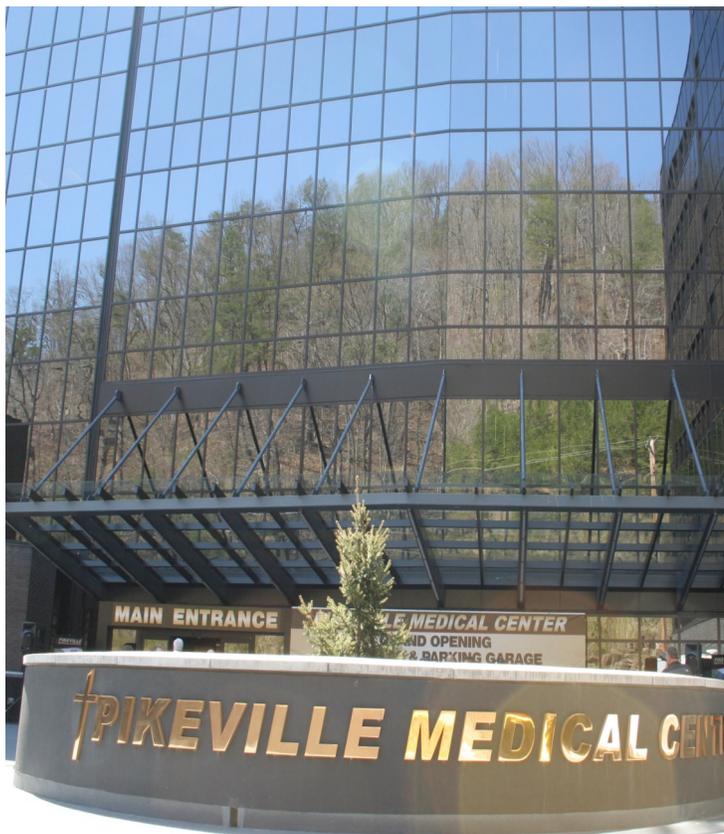
HPG grants are provided to sponsoring organizations to repair or rehabilitate housing occupied by very-low - and low-income people in rural areas.



State Director Fern joins Lt. Governor Luallen (center), Under Secretary Mensah and Congressman Hal Rogers, along with Monticello, Ky., families, to raise the wall on a home being built through the Kentucky Highlands Community Development Corporation's Self-Help housing initiative. Funding for the effort is provided through USDA technical assistance grants and single-family housing direct loans to the families.

Community Facilities Programs

During Fiscal Year 2015, USDA Rural Development invested \$162.8 million in rural Kentucky through community facilities loans and grants. The 32 projects, including funding for schools and fire safety equipment, was used to benefit more than 318,000 rural Kentucky residents. 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.



USDA provided a \$114 million loan to expand and renovate the Pikeville Medical Center (PMC) in Pikeville, Kentucky .

Community Facilities Loans and Grants

This program provides direct loans, loan guarantees and grants to qualified organizations to develop, build and equip essential community facilities in rural areas. Examples of essential facilities include public safety, fire and rescue and telecommunications buildings, schools, libraries, hospitals and health care clinics.

Rural Community Development Initiative Grants

RCDI grants are provided to help non-profit housing and community development organizations support housing, community facilities and community and economic development projects in rural areas.



USDA provided Madisonville Community College a Delta Healthcare Services Grant for \$368,484 to help equip and staff a simulation laboratory, observation and debriefing rooms to host simulated education scenarios involving healthcare students and healthcare professionals.



Jackson County Fiscal Court received a \$37,290 community facilities grant to purchase two police cruisers.

Rural Utilities Programs

USDA Rural Development invested \$572.2 million during Fiscal Year 2015 through over 60 infrastructure projects to provide reliable and clean drinking water, waste treatment systems, electric power, and telecommunications services in rural communities in Kentucky.

Electric Infrastructure Loans

This program provides insured loans and loan guarantees to qualified utility providers to finance construction of electric generation, transmission and distribution facilities and system improvements in rural areas. Funds may be used for demand-side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

Energy Efficiency and Conservation Loans

This program provides loans to USDA electric loan borrowers for energy audits and energy efficiency upgrades that enable the electric utilities to

implement energy efficiency service improvements on behalf of their customers. Funds may be used for weatherization, HVAC improvements, high efficiency lighting and conversions to more efficient or renewable energy sources, such as consumer-scale solar power and ground-source heat pumps.

Telecommunications Infrastructure Loans

This program provides financing to construct, maintain, improve and expand telephone and broadband services in rural areas.



Under Secretary Lisa Mensah and Keith Gabbard of Peoples Rural Telephone Cooperative in McKee, Ky., discuss the company's successful "fiber-to-the-premise" broadband project, funded in part with loan and grant funds from USDA.

Broadband Direct Loans and Loan Guarantees

This program provides funds to qualified providers to construct, improve or acquire facilities and equipment needed to implement broadband service in eligible rural areas.



Under Secretary Mensah and State Director Fern inspect fiber optics used by Peoples Rural Telephone Cooperative.

Distance Learning and Telemedicine Grants

DLT grants help rural communities use the unique capabilities of telecommunications to connect to each other and overcome the effects of remoteness and low population density. For example, this program finances telecommunications equipment and systems that can link teachers and medical service providers in one area to students and patients in another remote location.

Water and Waste Disposal Program

This program provides affordable direct loans, loan guarantees and grants to build, repair or improve public water systems and waste collection systems in rural areas.



State Director Fern joins Fleming County officials to break ground on water system improvements. USDA provided \$1.2 million in loans and grants to the Fleming County Water Association to replace deteriorating cement pipes and enable the association to continue providing a safe and dependable water supply to nearly 4,000 customers in Fleming County.

USDA Rural Development invested \$70,135,250 in rural Kentucky through water and environmental program loans and grants. The 23 projects provided 126,915 rural residents in Kentucky with safe drinking water and sanitary waste disposal services.

Solid Waste Management Grants

This program provides technical assistance and training grants to people who operate or maintain landfills to help reduce or eliminate pollution of water resources in rural areas.



Eastern Kentucky PRIDE received a \$70,000 Solid Waste Management Grant and a \$91,000 Technical Assistance Grant to support PRIDE's effort in a 42-county region of eastern Kentucky.

Committed to the Future of Rural Kentucky

USDA Rural Development in Kentucky is working with a variety of strategic partners to increase economic opportunity and improve the quality of life for rural Kentuckians. Several special initiatives are underway to support these efforts.

Promise Zone

The Southeast Kentucky Promise Zone includes eight counties: Bell, Clay, Harlan, Knox, Leslie, Letcher, Perry and Whitley. Kentucky Highlands Investment Corporation leads the rural Promise Zone efforts with over 60 partners. Kentucky's Promise Zone was the first rural zone designated by President Obama in 2014. In Fiscal Year 2015, USDA Rural Development invested over \$20 million through its housing, business and community programs in the Promise Zone.



State Director Fern talks with Congressman Hal Rogers and Under Secretary Mensah at Self-Help Housing event in Monticello, Ky.

StrikeForce

In 2014, Secretary Vilsack designated 73 Kentucky Counties as StrikeForce counties due to their persistent poverty conditions. During Fiscal Year 2015, USDA Rural Development invested over \$472 million to assist these designated counties. These investments equated to over 2,100 loans and grants to assist families with housing, businesses with creating and saving jobs and communities with addressing health, safety and public facility needs.



Shaping Our Appalachian Region (SOAR)



Working to expand job creation, enhance regional opportunity, innovation, and identity, improve the quality of life, and support all those working to achieve these goals in Appalachian Kentucky.

In 2013, Kentucky Governor Steve Beshear and 5th Congressional District Congressman Hal Rogers teamed up to bring together leaders and local residents in 54 counties of eastern Kentucky to begin to build a strategic future for the region. USDA Rural Development is firmly committed to supporting these efforts. In Fiscal Year 2015, USDA Rural Development invested over \$646 million in the 54-county region through 1,450 loans and grants.

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 farm-workers.	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.

For Direct Loans and Grants, apply to Rural Development. For 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	All areas except cities over 50,000 and their contiguous urbanized areas.	Grant.	Minimum 25% fund match (5% for 1994 Institutions). Grants awarded competitively.

Rural Business and Cooperative Programs (continued)

	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Socially Disadvantaged Groups Grants (formerly the Small, Socially Disadvantaged Producer Grant 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.
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 the 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-commercial-based).	No restrictions.	Grant.	As funds are available. Complete applications submitted to National Office for review. Grant awards determined by National Office.

For Direct Loans and Grants, apply to Rural Development. For Loan Guarantees, apply to participating intermediaries such as eligible banks etc. For Revolving Funds (RMAP, IRP, and REDLG), 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 unserved 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.

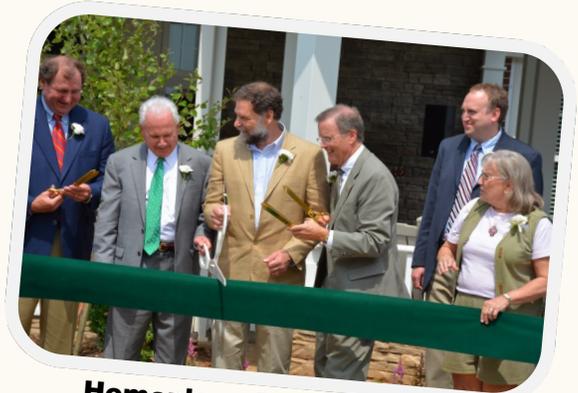
Electric and Telecom Programs: Contact the Rural Utilities Service Administrator; Water Programs: Contact the Rural Development State Office.

Rural Development Program Purposes

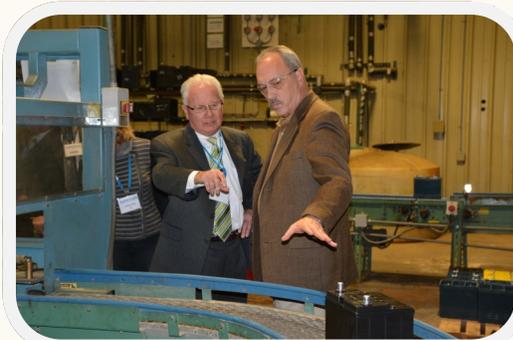
	Land & Bldgs.	Mach. & Equip.	Working Capital	Infrastructure	Tech. Asst./Train.
Rural Housing and Community Facilities Programs					
Single Family Housing Direct Loans (including Self-Help Loans)	♦				
Single Family Housing Loan Guarantees	♦				
Single Family Housing Repair Loans/Grants	♦				
Self-Help 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 Guar., 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	♦	♦	♦	♦	



**FFA 2015 National Convention
Louisville, KY**



**Homeplace Ribbon Cutting
Midway, Kentucky**



**Superior Battery
Russell Springs, Kentucky**



Liberty, Kentucky



Somerset, Kentucky



**Triad Health Systems Ribbon Cutting
Warsaw, Kentucky**

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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;

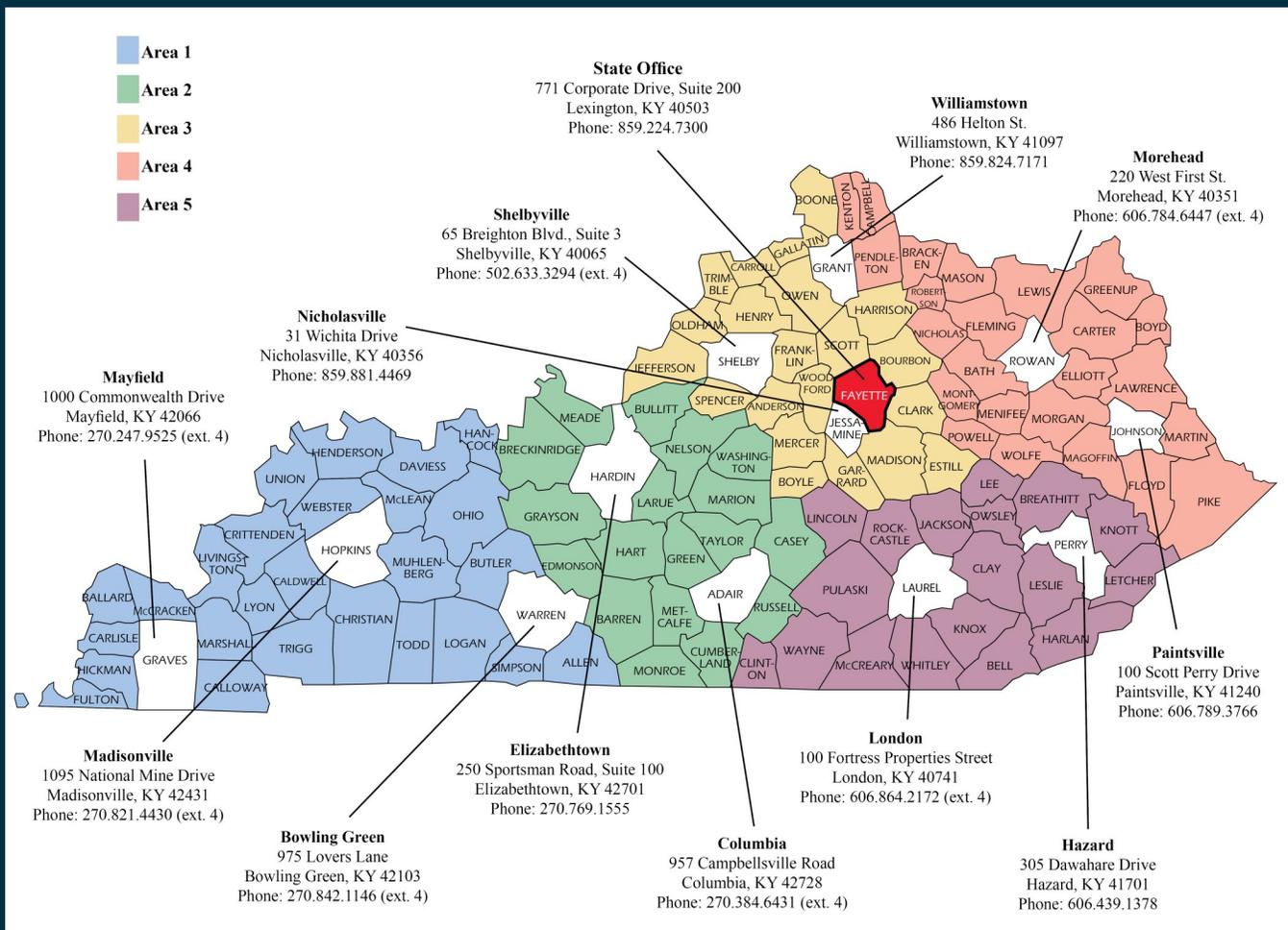
(2) fax: (202) 690-7442; or

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

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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 Kentucky Contacts



United States
 Department of
 Agriculture

Rural Development

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