

BUILDING MINNESOTA FOR THE FUTURE



BUILDING FOR THE FUTURE



In July 2014, the White House hosted a Rural Opportunity Investment Conference in Washington, D.C., to promote investment opportunities in rural America. The conference highlighted opportunities in areas such as the bioeconomy, local and regional food systems, and infrastructure. The conference also hosted the announcement of the creation of a new Rural Infrastructure Opportunity Fund that private entities can use to invest in job-creating rural infrastructure projects

Thomas J. Vilsak, Secretary of Agriculture



Since the start of the Obama Administration, Rural Development has awarded more than 21,000 business loans and grants to help about 89,000 rural small businesses start or expand operations, which has created or saved over 420,000 jobs. We have financed more than 7,000 loans and grants for water and wastewater infrastructure to help protect the health of 14.5 million rural residents, and brought new or improved broadband service to 1.49 million rural

Lisa Mensah, USDA Rural Development Under Secretary

people through investments in broadband infrastructure. Rural Development supported well nearly 170,000 projects on behalf of rural individuals, families, business owners, agricultural producers and communities in 2014 - totaling an investment of over \$28 billion. All these investments play a huge role in helping rural communities realize their economic potential and remain great places for families to live, work, and raise their children.

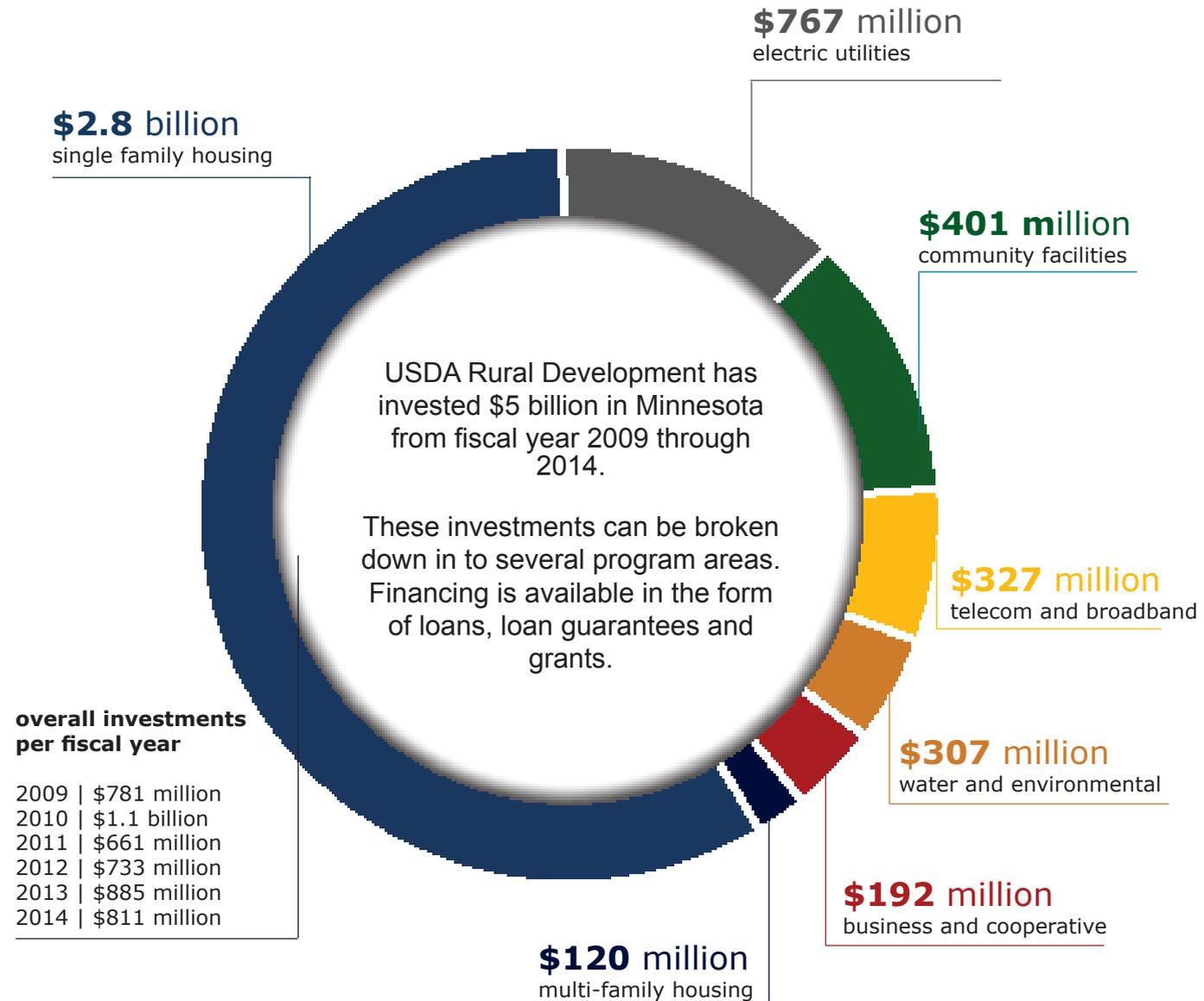
across the country. National cooperative bank CoBank committed an initial \$10 billion for the fund, and Capitol Peak Asset Management is managing the fund and recruiting additional investors. USDA and other Federal agencies are helping to identify rural projects that could be potential beneficiaries of the fund as well as other private funding sources. Target investments will include hospitals; schools and other educational facilities; rural water and wastewater systems; energy projects; broadband expansion; local and regional food systems; and other rural infrastructure.

Rural Development, a mission area under the United States Department of Agriculture, seeks to increase economic opportunity and improve the quality of life for all rural Americans. The goal is to build vibrant, sustainable communities by supporting business development, essential community facilities, utility infrastructure and affordable housing. With several programs, USDA Rural Development achieves its mission by helping individuals, communities and businesses obtain the financial and technical assistance to address their diverse and unique needs.

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1
mission area:
Rural Development.

13
offices across the state.

40
programs to provide financial or technical assistance.

\$830 million
is the average yearly investment made by Rural Development in Minnesota.

\$5 billion
loan portfolio in Minnesota.

79
employees in the state.

3
agencies: Rural Housing Service, Rural Business Service and Rural Utilities Service.



The vitality of rural America is critical to ensuring the strength of our economy, the affordability of our food, the independence of our energy supply, and the vibrancy of small communities. The Obama Administration is committed to ensuring that rural communities are economically strong, sound and sustainable. I'm proud of the tremendous accomplishments of USDA Rural Development in fiscal year 2014 on behalf of America's rural communities. Today, Rural Development is managing a 2014 loan portfolio of more than \$200 billion for a wide range of rural needs.

USDA can continue its mission to make strategic investments that bolster the rural economy. The Farm Bill builds on historic economic gains in rural America realized since the beginning of the Obama Administration and expands access to rural credit through USDA Rural Development for housing, community development, infrastructure, and other needs. The Farm Bill is also helping USDA develop new markets for rural-made products and increase rural manufacturing.

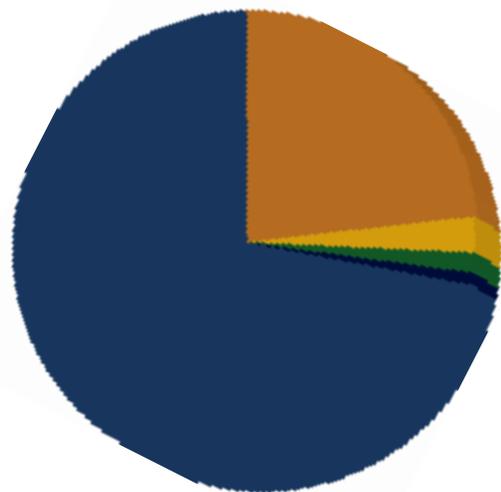
The investment work we do is important, and has lasting impacts both in rural America and for our overall economy. We look forward to continuing this work that improves the quality of life for rural residents and provides them with greater economic opportunities.

Passage of the 2014 Farm Bill helped ensure that

Colleen Landkamer, Minnesota State Director

BUILDING HEALTHY COMMUNITIES

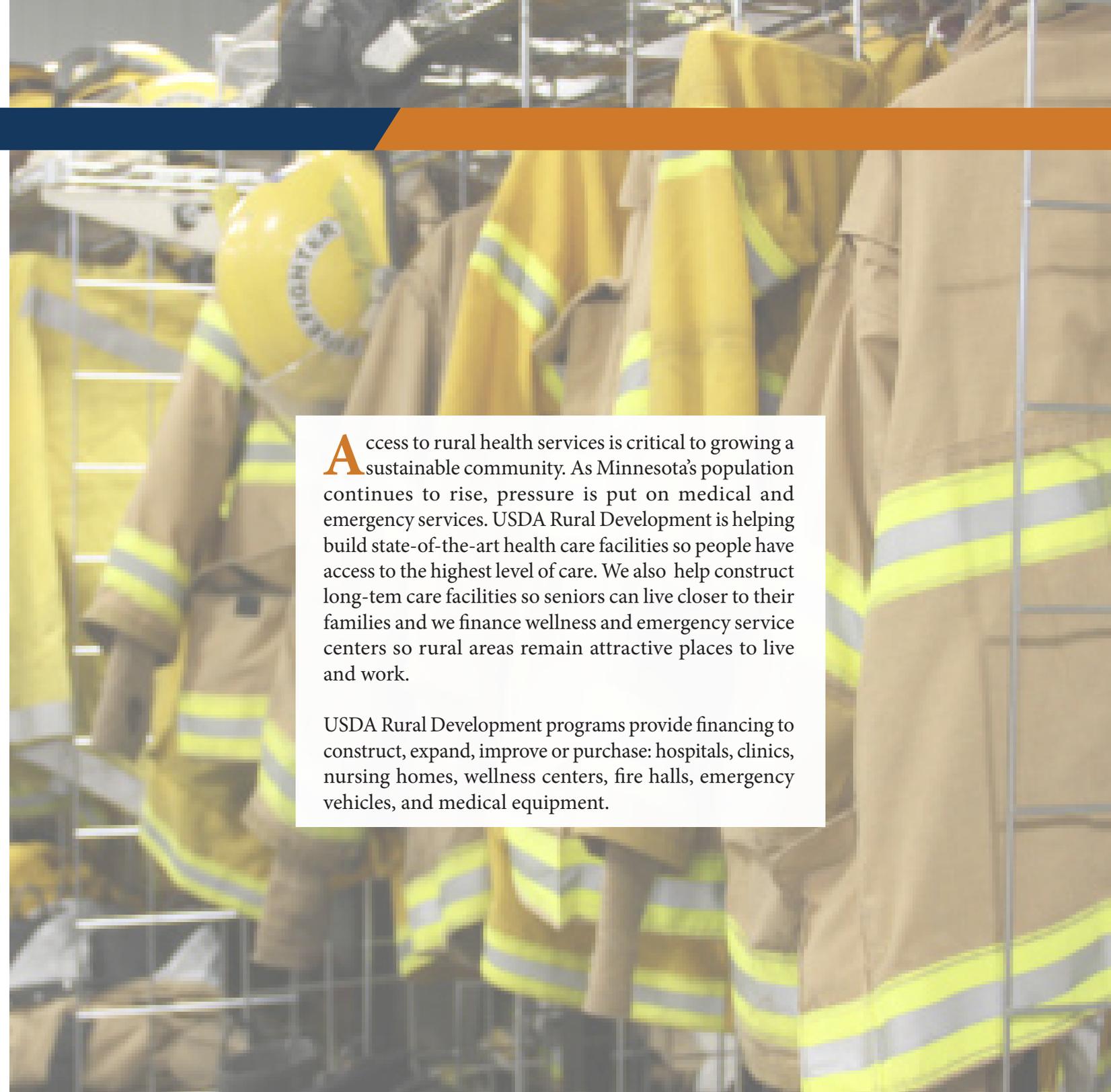
Of the total \$401 million invested by USDA Rural Development in essential community facilities, over \$322 million was invested in 64 health and emergency service projects since 2009.



- Hospitals and Clinics: \$208.4 Million
- Long-term Care: \$106.7 Million
- Emergency Vehicles & Facilities: \$2.9 Million
- Wellness: \$2.2 Million
- Telemedicine: \$2.5 Million

Access to rural health services is critical to growing a sustainable community. As Minnesota's population continues to rise, pressure is put on medical and emergency services. USDA Rural Development is helping build state-of-the-art health care facilities so people have access to the highest level of care. We also help construct long-term care facilities so seniors can live closer to their families and we finance wellness and emergency service centers so rural areas remain attractive places to live and work.

USDA Rural Development programs provide financing to construct, expand, improve or purchase: hospitals, clinics, nursing homes, wellness centers, fire halls, emergency vehicles, and medical equipment.



Bethesda Health and Housing

Bethesda has spent more than a century caring for area seniors, creating a community that focuses on enhancing quality of life and providing support services tailored to address individual physical, social and spiritual needs. Bethesda now has the tremendous opportunity to enhance these services and invest in a healthy future.

In April of 2014, Bethesda was awarded a \$26.7 million loan through USDA Rural Development's Community Facilities Direct Home Loan program that will allow Bethesda to take a leadership role in development of more responsive and flexible programs for older adults well into the future.

Bethesda's expansion project is not about building

buildings but rather granting seniors a home to independently or with assistance live in a healing environment that inspires and serves. The new campus will include relocating the residents from Heritage Center onto the Pleasant View Campus into twelve new neighborhoods of approximately 20 residents. The neighborhood design will create a home-like feel of community within the Bethesda campus. Individuality and personalized care is enhanced with all new private resident rooms that include full bathrooms with showers.

The heart of each neighborhood includes a kitchen, dining room, living room and indoor porch area. The new design enhances quality of life and sense of purpose by creating familiar spaces for resident

use such as social areas, walking paths, gardens and neighborhood laundry. The required nursing stations and other service areas will be tucked away to allow resident living spaces to remain the focus.

A new 36-bed short-term care building will also be constructed. This area will reflect an environment of wellness and healing for post-acute recovery and will feature spacious rooms, open layout, modern décor and a separate entrance for visitors to promote independence, socialization and family involvement. A bright corridor will connect the short-term care to the Wellness Center. A new 1,000 square foot therapy suite will also be available for patients to receive therapy services on-site.

When completed, the project will be a major step toward Bethesda's goal of creating a new kind of continuing care retirement neighborhood; one that fosters active lifestyles and community relationships. Housing options will include independent living, assisted living and spaces tailored to the special needs of those struggling with Parkinson's, memory loss and Alzheimer's. It will also allow for tenants to stay on campus and receive appropriate housing options, such as assisted living or memory care, should their health needs change.



QUICK FACTS

Community: Willmar, M.N.
Project: long-term care expansion
USDA Program: Community Facilities
Loan Amount: \$26.7 million

Region Five

Over the past three years, Region Five Development Commission (R5DC) has taken great strides to assist with the implementation of ten vital community economic development projects – continuing the resiliency of this five-county region in Northcentral Minnesota.

R5DC provides technical assistance in a variety of forms to the local units of government, nonprofits, and citizens in Cass, Crow Wing, Morrison, Todd, and Wadena Counties. Their focus is on the areas of Economic Development, Transportation, Community Development, Energy, and Local Foods.

Since 2011, R5DC has been devoted to the HUD Sustainable Communities Regional Planning (“The Resilient Region Plan”) effort. In support of this effort, R5DC partnered with numerous organizations and over 400 resident individuals throughout the five-county region in creating a regional sustainable vision, defining local key issues, and establishing steps towards ameliorating those issues.

With the help of a \$200,000 grant through

USDA Rural Development’s Rural Community Development Initiative (RCDI) program, ten community-based projects having the greatest impact in the areas of land use, transportation, housing, economic development, and energy efficiency that met the needs of a widespread targeted audience and scope.

Ranging from a quick-turn, short-term home loan pilot program to preserving a 102-year-old building into a living history of the railroad, RCDI funding has helped R5DC make these ten projects a reality. Local foods aggregation and distribution through SPROUT, a non-profit regional food hub, has seen extensive progress by increasing Farm to School participation by one additional public school district and one community college and successfully launching a new initiative with a healthcare institution to provide locally sourced foods in their food service and one weekly farmer’s market on hospital grounds.

Since 2009, USDA Rural Development has invested over \$5.2 billion in rural communities throughout Minnesota.



COMMUNITIES NEIGHBORHOODS HOMEOWNERSHIP

6 YEARS

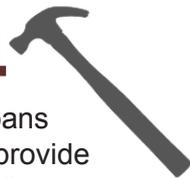
from 2009 through 2014, USDA has made significant investments into affordable housing across Minnesota.



1,172

individuals and/or families become homeowners.

\$2.9 BILLION
invested to provide affordable housing and rental opportunities.

1,094 
home repair loans and grants to provide safe places to live.

\$104 MILLION
provided in rental assistance to residents living in USDA financed multi-family projects.

544
rental units constructed in 28 multi-family housing complexes financed by USDA.

21,887
homes financed with a USDA loan guarantee by partnering with a local lender.



Heritage Townhomes | Cambridge, MN

Homes are the cornerstone of a resilient community. USDA Rural Development helps grow neighborhoods by building and preserving quality housing and rental opportunities.

HOME

A home can be defined as a dwelling or residence, but it also provides a foundation for the future. USDA Rural Development seeks to help people find safe, sustainable places to live that provide financial security and a place one can call their own.

With several programs, USDA offers low- to moderate-income residents options for a home loan or provides access to rental assistance. Our housing programs have had positive impacts in many of Minnesota's rural communities. For example in 2014, a family received a loan to move into their first home with a mortgage payment comparable to what they were paying in rent; a senior homeowner on a fixed-income received financial help to repair a failing well; and in Cambridge, MN, 24 rental units recently opened to provide affordable rental housing.

USDA is helping to make homeownership a reality for more people. With favorable rates and terms, we help people purchase well-built homes or develop multi-family complexes, which is building strong communities where families are raising the next generation of rural Americans.

Single Family Housing Programs: Loans and loan guarantees are available for families and individuals to purchase or build a home. Financing is also available to make necessary home improvements that remove health and safety hazards and to make homes accessible for people with disabilities.

Multi-family Housing Programs: financing may be used for the construction and site development of affordable rental properties. Rental assistance is also available for low income residents living in the USDA financed buildings.



“Buying a home is a huge decision and the process is intimidating. I didn't know where to start, so I contacted USDA and they took the time to help me understand my loan options and what I could afford. I am proud to say that I now own my home!”
— USDA home loan borrower

PARTNERING WITH
BUSINESSES AND COOPERATIVES,
RURAL DEVELOPMENT HAS INVESTED
\$192 MILLION IN PROJECTS
FROM 2009 THROUGH 2014

2,586 jobs
created or saved.

54 companies
received USDA guaranteed loans.

\$36.4 million
invested in energy efficient and renewable energy projects.

64 entities
received grants for small business development and expansion.

over 1,000 businesses
received technical or financial assistance through Rural Development funding.

\$21 million
financed to cooperatives to start revolving loan funds for local community projects.



Rural Development encourages the establishment and growth of businesses and cooperatives to diversify rural economies. Through private and public partnerships, USDA invests in business by providing financing in the form of loans, loan guarantees and grants.

Financing may be used for working capital, real estate, purchasing equipment, energy efficiency or renewable energy projects, technical assistance, business incubators, revolving loan funds and strategic planning.

Business development is a key component of a vibrant community. Rural Development backs rural businesses to help create job opportunities, enhance services and develop new products.

HAF A FARM

Hmong American Farmers Association (HAFA) is a nonprofit organization created in 2011 to serve, support and advocate for Hmong American farmers and their families.

Through economic development, capacity building, advocacy and research, HAFA uses an organizing approach to work with its farmers and others in the small, minority farming community to access resources so that they can expand and improve their farming operations, and thereby provide the Twin Cities' metropolitan community with fresh, locally grown, healthy fruits and vegetables.

To help achieve this mission, the Latino Economic Development Center (LEDC) awarded HAFA a technical assistance grant to further train HAFA farmers on healthy farm practices. LEDC received funding through USDA Rural Development's Small Socially Disadvantaged Producer grant program designed to provide technical assistance to producers through Cooperatives and Cooperative Development

centers just like those belonging to HAFA.

Starting in summer of 2014, children from Head Start childcare centers in St. Paul, Minn. began piloting the first Farm to Head Start program in Minnesota!

Farm to Childcare programs connect very young children with local farm fresh foods, supporting farmers who produce healthy choices like fruits and vegetables while helping our youngest eaters gain access to health, locally-grown foods.

The Farm to Head Start program includes age-appropriate curriculum, culturally responsive learning, family engagement, and connections with local farmers from HAFA who are growing food for the children's meals at their farm in Dakota County - just a half hour away.

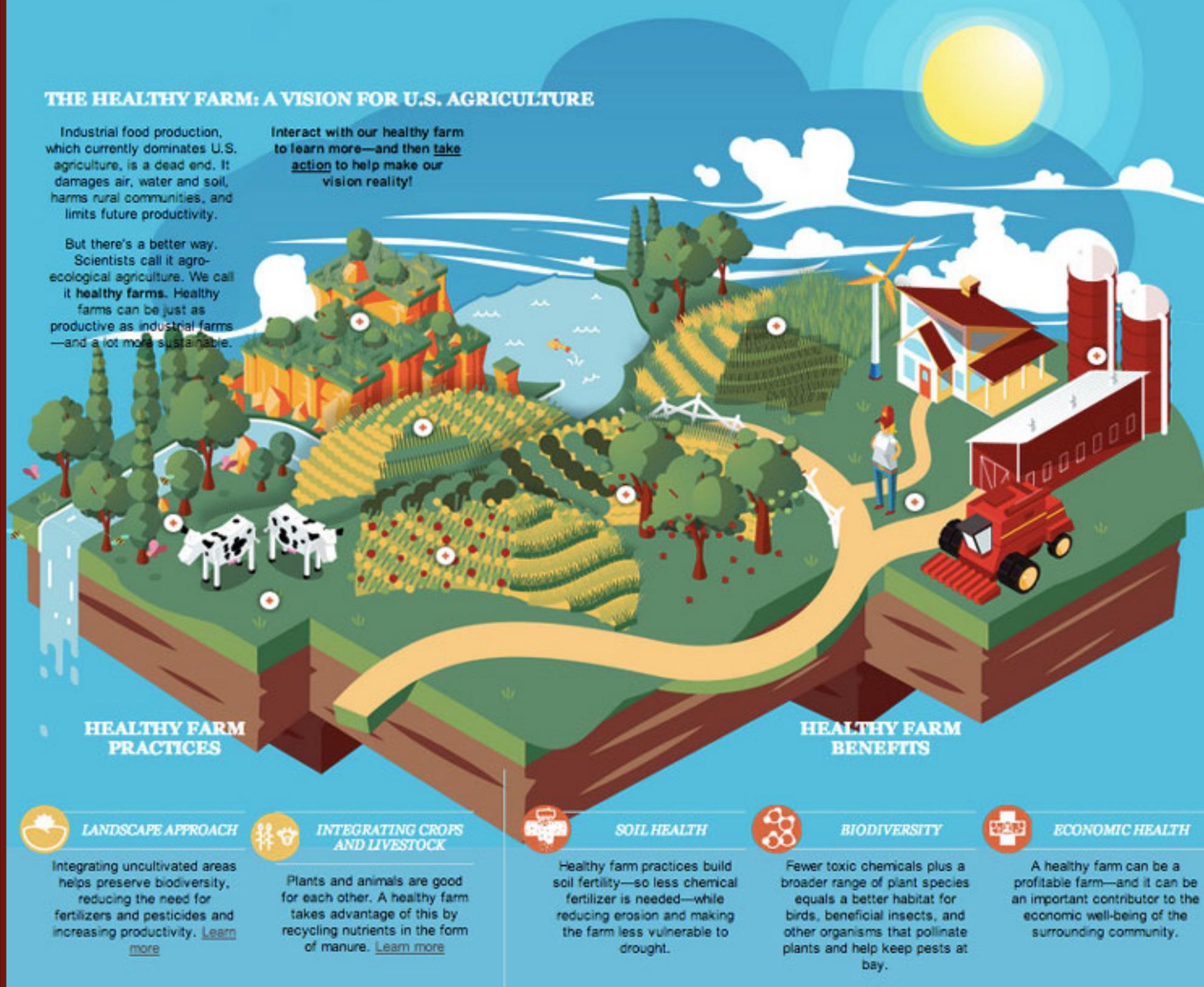
This program will build stronger community ties while supporting the local farm economy and promoting children's health and food systems literacy.

THE HEALTHY FARM: A VISION FOR U.S. AGRICULTURE

Industrial food production, which currently dominates U.S. agriculture, is a dead end. It damages air, water and soil, harms rural communities, and limits future productivity.

Interact with our healthy farm to learn more—and then take action to help make our vision reality!

But there's a better way. Scientists call it agro-ecological agriculture. We call it **healthy farms**. Healthy farms can be just as productive as industrial farms—and a lot more sustainable.



HEALTHY FARM PRACTICES



LANDSCAPE APPROACH

Integrating uncultivated areas helps preserve biodiversity, reducing the need for fertilizers and pesticides and increasing productivity. [Learn more](#)



INTEGRATING CROPS AND LIVESTOCK

Plants and animals are good for each other. A healthy farm takes advantage of this by recycling nutrients in the form of manure. [Learn more](#)



SOIL HEALTH

Healthy farm practices build soil fertility—so less chemical fertilizer is needed—while reducing erosion and making the farm less vulnerable to drought.



BIODIVERSITY

Fewer toxic chemicals plus a broader range of plant species equals a better habitat for birds, beneficial insects, and other organisms that pollinate plants and help keep pests at bay.



ECONOMIC HEALTH

A healthy farm can be a profitable farm—and it can be an important contributor to the economic well-being of the surrounding community.

FOUNDATION FOR GROWTH: WATER INFRASTRUCTURE IN RURAL MINNESOTA

Since 2009, USDA Rural Development has invested more than \$307 million in 273 projects to improve, expand and provide water services for rural Minnesota residents.

- \$182.6 million in loans and \$124.3 million in grants
- Over 60 cities and 7 Native American tribes received financing
- 42,948 households/businesses impacted by projects

Through Rural Development Water and Environmental Programs (WEP), rural communities obtain the technical assistance and financing necessary to develop drinking water and waste disposal systems. Safe drinking water and sanitary waste disposal systems are vital not only to public health, but also to the economic vitality of rural America.

WEP provides funding for the construction of water and waste facilities in rural communities with populations of 10,000 or less. Project financing is provided through loans and grants and based on a strict underwriting process to keep rates reasonable for rural residents.



RELIABLE, SAFE WATER

City of Lewisville

We need water to survive, yet it is not always readily available or safe to drink. With Minnesota’s population on the rise, so is the demand for a reliable, healthy water supply.

To help meet the water needs in south western Minnesota, the City of Lewisville was awarded 2014 Farm Bill funding in the form of a \$297,000 loan and a \$629,000 grant through USDA Rural Development’s Water and Wastewater Program and a \$556,000 grant from Small Cities/DEED to increase capacity within their service area. This has included connecting to the Red Rock Rural Water system as the primary source of water, rehabilitation of Lewisville’s water tower and make other essential water distribution system improvements.

Project discussions began in 2013 with Minnesota Rural Water Association, an organization also frequently funded by Rural Development. Many discussion regarding the city’s poor condition of their wells - one failing to meet the Ten State Standards and the other having a very low pumping rate, the water treatment plant’s poor condition causing media to leak into the water, and the aged water tower no longer of use.

In fall of 2014, Red Rock Rural Water System was able to construct the water line in to

Lewisville with the help of \$4.7 million in USDA Water and Wastewater funding.

The city is now in the process of working towards making the internal improvements necessary to connect to the new water line and will hopefully be able to go to bid in the near future.

All of these improvements will benefit 250 residents in the City of Lewisville, according to the 2010 Census information.

The new water line constructed by Red Rock Rural Water System will provide numerous opportunities for other rural residents to connect and have adequate water as well.

.....
“Kids that grow up in rural Minnesota should be able to live in rural Minnesota. We have small towns like Lewisville - 250 people- that will need some help here and there...The USDA doesn’t just help with the farm bill. It’s rural development too. Providing small loans at reasonable rates..”

- U.S. Sen. Amy Klobuchar
.....



“One of the most important parts of the project is that we were able to partner together with small communities and serve many people.”
— Dominic Jones, Red Rock Rural Water



USDA SUPPORTS EFFORTS OF ELECTRIC POWER COOPERATIVES TO DELIVER RELIABLE, AFFORDABLE SERVICES

\$767 million in USDA loans invested into
Minnesota electric infrastructure.

**IN 6 YEARS
2009-2014**



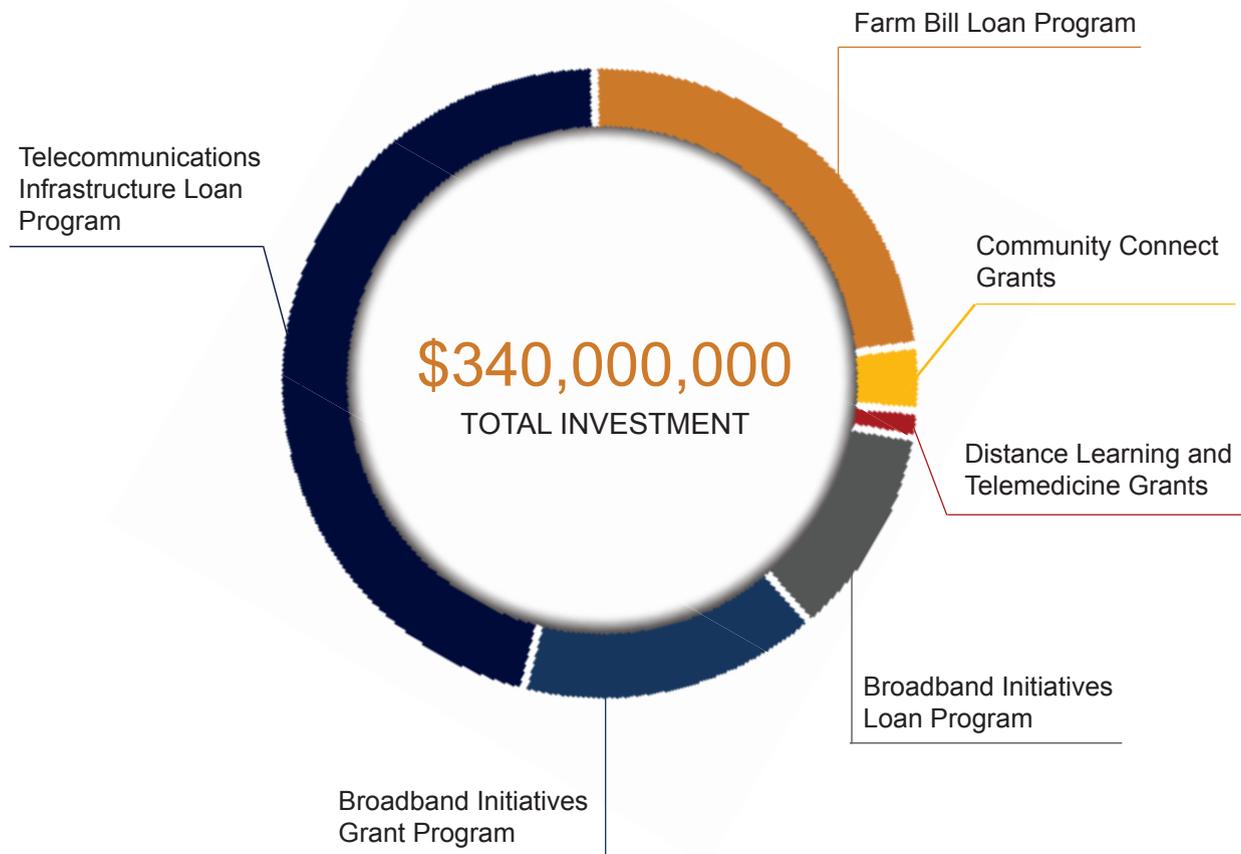
55 loans made
to rural electric
cooperatives.



USDA has worked with rural electric cooperatives since 1935 to provide electricity for rural consumers. Through the years, these investments have delivered new economic and social opportunities and have enhanced the quality of life in the nation's rural communities.

Delivering at High-Speed

Since 2009, USDA has financed more than \$340 million in Minnesota telecommunications and broadband projects. These investments have helped build-out infrastructure, which is delivering some of the country's fastest and most affordable Internet speeds.



Access to the Internet is fundamentally changing how we live, work and conduct business. It allows rural communities to compete in the global economy and offer the quality of life necessary to attract and retain residents and businesses.

USDA Rural Development — Housing Programs

PROGRAM	OBJECTIVE	HOW IT WORKS	APPLICANT	USES	ELIGIBILITY	TERMS/CONDITIONS
Single Family Homeownership Direct Loan (Section 502)	Finance safe, well-built, affordable homes for rural Americans. May purchase home or improve existing one.	Loan is made by USDA. Applicants should have adequate, dependable income. The ratio for principal, interest, taxes and insurance (PITI) should not exceed 29% and total debt (TD) should not exceed 41%.	Low- and very low-income families and individuals. Based on county and family size.	Buy, build, improve, repair or rehabilitate rural homes as the applicant's permanent residence.	Rural areas with populations of 35,000 or less.	Up to 100 percent of loan limit. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Homeownership Guaranteed Loan (Section 502)	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Loan is made by a conventional lender. USDA guarantees the loan, which limits the risk to the lender. Same ratios apply as above.	Moderate, low- and very low- income families and individuals. Based on county and family size.	Purchase new home.	Rural areas with populations of 35,000 or less.	30-year fixed rate. Interest rate negotiated between lender and borrower. Loans can be made to 102% percent of market value to cover a 2 percent guarantee loan fee.
Single Family Homeownership Direct Repair Loan and Grant (Section 504)	To help very low-income homeowners remove health and safety hazards or to repair their homes.	The loan and/or grant from USDA are determined based upon income and a Family Budget and Financial Statement.	Families and individuals who currently own their home. Grant applicants must be 62 or older.	Repairs to improve or modernize a home, remove health and safety hazards, or make more accessible.	Rural areas with populations of 35,000 or less.	Loans have a 1 percent interest rate and a term of 20 years. Assistance to individuals may not exceed \$20,000. Grants have a life-time limit of \$7,500.
Rural Rental Housing Direct Loan (Section 515)	Finance safe, well-built, affordable rental housing for low- and very low-income individuals and families.	Direct loan from USDA.	Individuals, limited profit and non-profit organizations, corporations, Native American tribes and public entities.	New construction or rehabilitation of rental housing.	Rural areas with populations of 35,000 or less.	Up to 100 percent of total development cost or market value, whichever is less (non-profits); 97 percent (for-profits); 95 percent (for-profits with low-income tax credits). 30-year term with up to 50-year amortization.
Rural Rental Housing Guaranteed Loan (Section 538)	Finance safe, well-built, affordable rental housing for low- to moderate-income individuals and families.	Loan is made by lender. USDA guarantees the loan, which limits the risk to the lender.	Individuals, partnerships, limited liability companies, trusts, state and local agencies and Native American tribes.	New construction or substantial rehabilitation of rural rental housing.	Rural areas with populations of 35,000 or less.	Up to 90 percent loan-to-value (for-profit entities) and up to 97 percent loan-to-value (non-profit entities). Negotiated interest rate between applicant and lender. Repayment terms are 25 to 40 year amortization.
Housing Preservation Grant (Section 533)	Repair and rehabilitate housing owned or occupied by very low- and low-income rural families.	Grant is made by USDA.	Public bodies and non-profit organizations.	Finance repairs and rehabilitation activities for single family and rental properties.	Rural areas with populations of 35,000 or less.	Term of grant agreement can vary from one to two years.
Farm Labor Housing (Sections 514 and 516)	Finance affordable rental housing for farm workers.	Loan or grant made by USDA.	Individuals; public, private and non-profit organizations; and Native American tribes.	New construction or substantial rehabilitation of rental housing.	No population restriction.	514 Loan: 1 percent for 33 years 516 Grant: 90 percent of development costs.

Direct Loans and Grants - apply to USDA Rural Development. Loan Guarantees - apply to intermediary approved banks, credit unions or mortgage companies.

USDA Rural Development — Business and Cooperative Programs

PROGRAM	OBJECTIVE	APPLICANT	USES	ELIGIBILITY	TERMS/CONDITIONS
Business and Industry (B&I) Guaranteed Loans	Provide an incentive for business lending that will save/create jobs and stimulate rural economies.	Businesses may apply through Federal or State chartered banks, Farm Credit Services, credit unions or savings & loan associations.	Real estate, equipment, working capital and refinancing under certain conditions.	Unincorporated areas and cities with populations of 50,000 or less.	USDA guarantees loan made by lender. Lender and borrower negotiate terms; interest rates fixed or variable; 70 to 80 percent guarantee on loans. 7-years on working capital; 15-years on machinery and equipment; and 30-years on real estate.
Rural Energy For America Program (REAP) Loan Guarantee and/or Grant	Promote energy efficiency and renewable energy development. Finance renewable generation systems or make energy efficiency improvements.	Agricultural producers and rural small businesses. For energy audits and development assistance; state or local governments, tribes, colleges, or electric co-ops/publicly owned utilities.	Construction, improvements, purchase and installation of equipment, energy audits, permit fees, professional service fees, business plans, technical assistance and feasibility studies.	Unincorporated areas and cities with populations of 50,000 or less.	Applicants must meet specific selection criteria. Loans cannot exceed 75 percent of eligible project costs. There is a 60 to 85 percent guarantee on \$5,000 to \$25 million loans. Grants are awarded on a competitive basis and cannot exceed 25 percent of eligible project costs.
Advanced Biofuel Payment	Provide an incentive payment to producers of advanced biofuels.	Producer of advanced biofuels.	Incentive payment may be used by the producer as desired.	No rural requirement.	Incentive payment.
Rural Economic Development Loan or Grant (REDLG)	Promote community or business development projects to improve the rural economy.	Electric and telephone utilities eligible for financing by USDA's Rural Utilities Service.	USDA loan is re-loaned by the co-op for local community or business projects. The grant sets up a revolving loan fund.	Unincorporated areas and cities with populations of 50,000 or less.	The intermediary (electric or telephone utility) makes loans to for-profit or non-profit businesses and public bodies for economic development. Loans may be made for up to \$2 million at zero percent for ten years. Grants may be made up to \$300,000.
Rural Business Enterprise Grant (RBEG)	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private non-profit corporations, universities and Native American tribes.	Buy and develop land, establish revolving loan fund, purchase equipment, develop infrastructure, utility and service extensions, or provide technical assistance.	Unincorporated areas and cities with populations of 50,000 or less.	When grant funds are used for revolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Rural Business Opportunity Grant (RBOG)	Finance technical assistance for business development and support economic development planning.	Public bodies, private non-profit corporations, universities, Native American tribes and co-ops with primarily rural members.	Regional planning, economic strategy development, technical assistance and leadership training.	Unincorporated areas and cities with populations of 50,000 or less.	Must be completed within two years after project has begun.
Intermediary Relending Program (IRP) Loan	Capitalize locally-run revolving loan programs for small business and community development projects.	Public bodies, non-profit corporations and Native American tribes who make loans to rural businesses.	Community development projects, business establishment or expansion.	Unincorporated areas and cities with populations 25,000 or less.	USDA loans up to \$1 million to intermediary that then re-lends to make loans up to \$150,000 to businesses. Intermediary pays one percent for 30 years.
Value-Added Producer Grant (VAPG)	Support producers in activities that will increase the return on their agricultural commodities.	Farmers, ranchers, foresters, fishers, co-ops, producer groups and joint ventures.	Planning or working capital to operate value-added ventures.	No rural area requirement.	Must meet specific requirements; consult USDA well in advance of application deadline. Funds must be matched dollar for dollar. Grants for planning up to \$75,000 and for working capital up to \$200,000.
Small Socially Disadvantaged Producer Grant (SSDPG)	Foster the business success of co-ops of small-scale, minority producers.	Co-ops with at least 75 percent of its' membership comprised of socially disadvantaged producers.	Feasibility or market studies, product improvement, training or legal advice.	Unincorporated areas and cities with populations of 50,000 or less.	Grants up to \$200,000.
Rural Cooperative Development Grant (RCDG)	Establish and operate centers for cooperative development that will help start new cooperatives and improve operations of existing cooperatives.	Non-profit corporations and institutions of higher education.	To conduct feasibility studies, business plans and applied research as well as provide training and other technical assistance to new and existing cooperatives and businesses.	Unincorporated areas and cities with populations of 50,000 or less.	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants may be made up to \$200,000 and are awarded on a competitive basis.

Direct Loans and Grants - apply to USDA Rural Development. Loan Guarantees - apply to intermediary approved banks, credit unions or mortgage companies.

USDA Rural Development — Community and Utility Programs

PROGRAM	OBJECTIVE	HOW IT WORKS	APPLICANT	USES	ELIGIBILITY	TERMS/CONDITIONS
Community Facilities Loan, Loan Guarantee or Grant	Assist in the development of essential community infrastructure for rural areas.	USDA may directly provide a loan or grant to applicant or USDA may guarantee up to 90 percent of a loan made by a lender.	Public bodies, non-profit organizations and Native American tribes.	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Rural areas, cities and towns with populations of 20,000 or less.	<u>Direct loan</u> : no limit, long-term fixed rate at or below market rate for public bodies; sliding scale for low-income communities. <u>Loan guarantee</u> : no limit, rate negotiated between lender and applicant, fixed or variable rates, up to 40 years to repay. <u>Grant</u> : max of 75 percent of project cost.
Water and Waste Disposal Loan, Loan Guarantee or Grant	To develop or improve water and waste disposal systems in rural areas.	USDA may directly provide a loan or grant to applicant or USDA may guarantee up to 90 percent of a loan made by a lender.	Public entities, Native American tribes and non-profit corporations.	Build, repair and improve public water systems; waste collection and treatment systems. Other related costs may be eligible too.	Rural areas, cities and towns with a population up to 10,000.	<u>Direct Loan</u> : up to \$5 million; interest rates at or below market rate or on a sliding scale for low-income communities, term up to 40 years. <u>Guarantee Loan</u> : up to \$5 million; rate negotiated between borrower and lender, term up to 40 years. <u>Grant</u> : up to \$2 million, used in combination with direct loan.
Solid Waste Management Grant	Provide technical assistance/training for communities to reduce, eliminate pollution of water resources and improve planning and management of sites.	Grant made by USDA.	Public entities, Native American tribes and non-profit corporations.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities.	Rural areas, cities and towns with a population up to 10,000.	Projects are funded based on selection at the National level. Applications are accepted from October 1 to December 31 of each year.
Rural Broadband Loan or Loan Guarantee	The deployment of broadband service to eligible rural communities.	USDA may directly provide a loan or grant to applicant or USDA may guarantee up to 90 percent of a loan made by a lender.	Entities providing or proposing broadband service in eligible rural communities. Cannot serve more than two percent of the telephone subscriber lines installed in the U.S.	Construct, acquire, improve broadband transmission facilities; land and buildings used in providing broadband service; and the refinancing of Telecom Program debt.	Rural areas with populations of 20,000 or less.	Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of assets financed. Loans are guaranteed at the interest rate set by private lender for no more than 80 percent of the principal amount.
Electric and Telecom Loan or Loan Guarantee	Provide financial aid through direct and guaranteed loans for electric and telecommunications services.	USDA may directly provide a loan or grant to applicant or USDA may guarantee up to 90 percent of a loan made by a lender.	For-profit entities, non-profits, and cooperative associations, public bodies and other utilities. Apply directly to Rural Development National Office.	Generation, transmission facilities and distribution of electric power. Enhance 911 service, digital equipment, fiber optic cable, and traditional telecom and broadband services.	Electric: Rural areas defined by the U.S. Census. Telecom: Rural areas with populations of 5,000 or less.	Interest rates are established in accordance with 7 CFR 1745.
Distance Learning and Telemedicine (DLT) Loan or Grant	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Loan and grant made by USDA.	Incorporated entities, including municipal corporations, on a for-profit or not-for-profit basis, that operate rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.	Equipment for classrooms: cameras, video monitors, computers and LAN. Also, for physician consultation, radiology, x-ray scanners and digital microscopes.	Rural areas with populations of 20,000 or less.	<u>Loan</u> : non-competitive process, no required matching funds, loans can range from \$50,000 to \$10 million. <u>Grant</u> : competitive process; awards may range from \$50,000 to \$500,000; 15% match required. <u>Loan/Grant Combination</u> : non-competitive process.

Direct Loans and Grants - apply to USDA Rural Development. Loan Guarantees - apply to intermediary approved banks, credit unions or mortgage companies.

Summary of Program Purposes

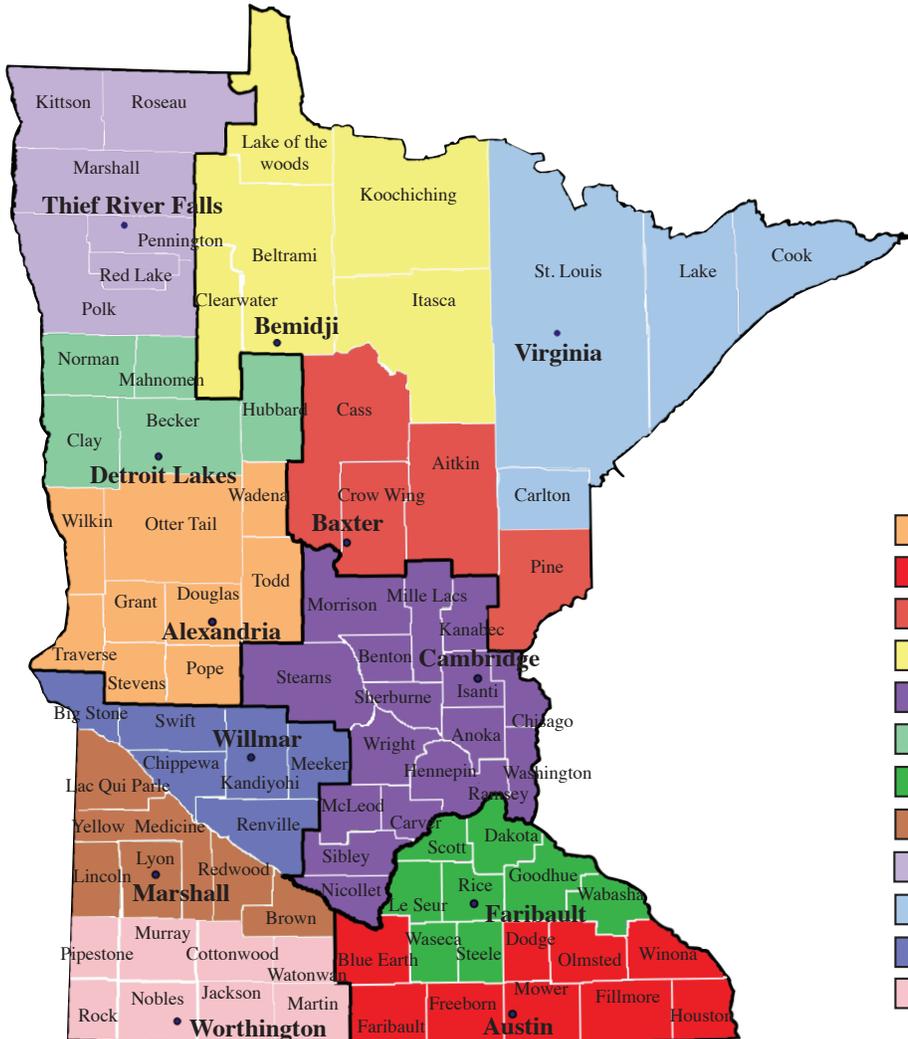
	HOUSING PROGRAMS	MACHINE & EQUIP	LAND & BUILDING	CAPITAL	INFRASTRUCTURE	TRAINING TECHNOLOGY
Farm Labor Housing – Loan/Grant			•		•	
Housing Preservation			•			
Rural Community Development Initiative						•
Rural Rental Housing – Direct Loan			•		•	
Rural Rental Housing – Guaranteed Loan			•		•	
Single Family Housing – Direct Loan			•			
Single Family Housing – Guaranteed Loan			•			
Single Family Housing Repair – Loan/Grant			•			

	BUSINESS & CO-OP PROGRAMS	MACHINE & EQUIP	LAND & BUILDING	CAPITAL	INFRASTRUCTURE	TRAINING TECHNOLOGY
Biomass Research & Development Initiative		•	•	•	•	
Business & Industry – Guaranteed Loan		•	•	•	•	
Electric & Telecommunications		•	•		•	•
Intermediary Relending – Loan		•	•	•	•	
Rural Broadband Loans & Loan Guarantees			•		•	
Rural Business Enterprise Grant		•	•	•	•	•
Rural Business Opportunity Grant						•
Rural Cooperative Development Grant						•
Rural Economic Development Loan/Grant		•	•	•	•	
Rural Energy for America Program		•	•	•	•	•
Value-Added Producer Grants				•		•

	COMMUNITY PROGRAMS	MACHINE & EQUIP	LAND & BUILDING	CAPITAL	INFRASTRUCTURE	TRAINING TECHNOLOGY
Community Facilities – Direct Loan/Grant		•	•	•	•	
Community Facilities – Guaranteed Loan		•	•	•	•	
Distance Learning & Telemedicine		•				
Solid Waste Management Grant						•
Water and Wastewater – Direct Loan/Grant		•	•	•	•	
Water and Wastewater – Guaranteed Loan		•	•	•	•	

USDA Rural Development Offices in Minnesota

For more information on our programs, visit our website at www.rd.usda.gov/mn or call us at (651) 602-7800.



Colleen Landkamer, State Director
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Area Offices

- Alexandria | 320-763-3191
- Austin | 507-437-8247
- Baxter | 651-602-7800
- Bemidji | 218-751-1942
- Cambridge | 763-689-3354
- Detroit Lakes | 218-847-9392
- Faribault | 507-332-7418
- Marshall | 507-532-3234
- Thief River Falls | 218-681-2843
- Virginia | 218-741-3929
- Willmar | 320-235-3540
- Worthington | 507-372-7783

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