



United States
Department of
Agriculture

Rural Development



USDA Rural Development

TENNESSEE 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,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



A Healthy Rural Economy

“As your friends, neighbors and family, we strive to make our programs responsive and our service personal in order to strengthen the rural economy for the benefit of every Tennessean from the Delta to the Smokies.”

— Bobby M. Goode, February 2016

Fiscal Year 2015 has been a tremendous leap for USDA Rural Development accomplishments in Tennessee. As we work hard to protect taxpayers by holding the administration cost to less than 1 cent per program dollar, our investments in businesses, families and communities topped \$1.2 billion this year.

Through intensive outreach and fostering strong relationships, RD has helped to empower rural communities to increase economic opportunities and improve the quality of life for its residents. By partnering with local and regional partners, non-profit organizations, state and local governments and faith-based organizations, we are able to expand the educational and workforce development opportunities and provide safe, affordable housing.

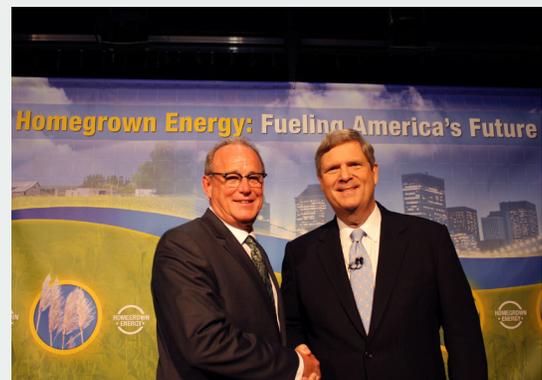
Small businesses are the economic engines of rural communities. Creating a support system for such businesses promotes growth and job opportunities while investments in infrastructure and businesses help grow new and existing jobs and build healthier, more diversified local economies.

Since 2009, our agency has assisted more than 1.5 million Tennessee families and businesses and invested in more than \$6.6 billion through affordable loans, loan guarantees and grants. RD has financed over 40,000 homes, processed nearly 40 multi-family housing transfers to rehabilitate 42 apartment complexes, created or saved over 4,000 jobs, provided fresh water to over 1.1 million Tennesseans and invested in nearly 50,000 projects.

A strong and independent America starts with a healthy, rural economy. We live and work in the communities we serve. As your friends, neighbors and family, we strive to make our programs responsive and our service personal in order to strengthen the rural economy for the benefit of every Tennessean from the Delta to the Smokies.

Sincerely,

Bobby M. Goode
Tennessee State Director



Rural Business and Cooperative Programs

In Fiscal Year 2015, USDA Rural Development invested \$35.5 million in Tennessee's rural businesses, supporting 112 projects. Business and Cooperative Programs serve Tennessee communities by creating new businesses, maintaining jobs, conducting feasibility studies, improving rural energy development, and increasing revenue for rural business ventures.

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.



Locally grown vegetables are sold at a new farmers' market in Ashland City with the help of a Rural Business Development Grant.

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.



RD funds through a Rural Energy for America Program grant were used to assist White Farms of Carroll County in purchasing a solar system that will lower its impact on global climate change by reducing the usage of fossil fuels to generate electricity for its farming operation.

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. Under the program, USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

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.



The Crossville Outlet Mall, located in Cumberland County, received a Business and Industry loan to upgrade its facility. Demonstrating the Obama Administration's Power+ Initiative to target federal assistance to communities and workers impacted by changes in the coal economy, this project will help keep and create jobs stimulating the local economy.

Rural Housing Programs

USDA Rural Development improved rural housing in Tennessee with \$1 billion in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Tennessee. 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 186 direct loans and 7,256 guaranteed loans to finance homes for rural Tennessee 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

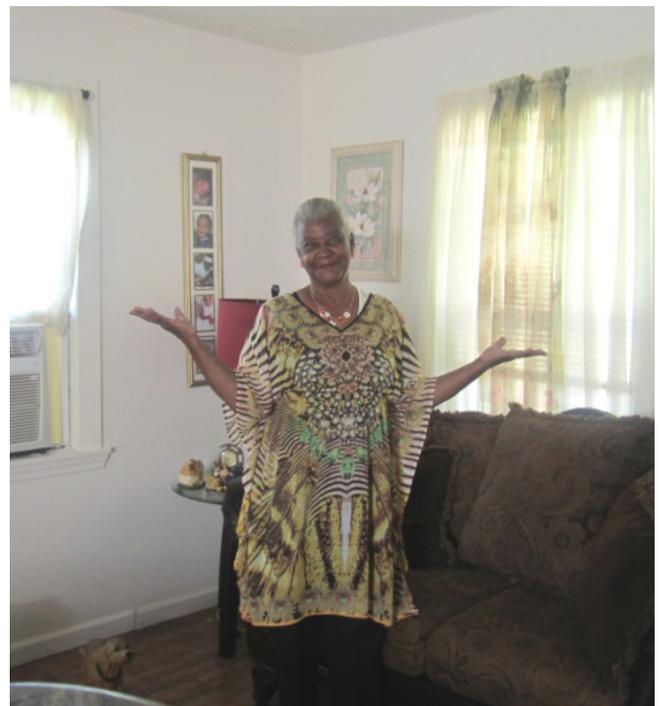
This program helps moderate-income individuals and families buy, build and improve homes in rural areas. USDA Rural Development provides guarantees on loans made by approved lenders that participate in the program.

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.



Hardeman County homeowner Delois Dotson shows off her living room with newly repaired floor, wall and ceiling.



In the City of Bolivar, Ridgecrest Apartments resident Augustus Howard exercises in the expanded Community Room funded through the Multi-Family Housing 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.

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.

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.

Farm Labor Housing Loans and Grants

This program provides financing to develop affordable multi-family rental housing for year-round and migrant or seasonal domestic farm laborers and their families.

Community Facilities Programs

During Fiscal Year 2015, USDA Rural Development invested \$88.8 million in rural Tennessee through community facilities loans and grants. The 44 projects, including funding for schools and fire safety equipment, was used to benefit more than 682,000 rural Tennessee 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.



Funds through a Community Facilities loan were used to construct a new building for the Town of Jonesborough's Senior Center. The new facility is designed and built as a multi-use building with future expansion taken into consideration.

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.



The McMinn County Heritage Museum purchased new technology for interactive exhibits and operations with the help of a CF grant.

Rural Utilities Programs

USDA Rural Development invested \$65.3 million during Fiscal Year 2015 through 42 infrastructure projects to provide reliable and clean drinking water, waste treatment systems, electric power, and telecommunications services in rural communities in Tennessee.

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.



North Central Telephone Cooperative CEO Nancy White stands in front of the upgraded fiber network that will give Macon County residents access to modern electronic and technological services.

Telecommunications Infrastructure Loans

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

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.

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.

Community Connect Grants

Community Connect grants help deploy broadband service in rural communities where it is not yet economically viable for private sector providers to deliver broadband. Projects funded through the program include community centers that offer free public access to broadband for 2 years.

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.

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.

Circuit Rider Program

This program provides grants for technical assistance and training to rural water systems experiencing difficulties with day-to-day operations, finances or management.



The City of Fayetteville used RD funds to complete a water treatment plant project. This will provide rural residents and small businesses with access to safe, potable drinking water

State Success Story

In Fiscal Year 2015, USDA Rural Development made significant impacts across Tennessee through its community, housing, business and water and waste programs. The following success stories are a few among many great accomplishments the agency has made thus far.

Rural Resources Aims to Connect Farms, Food and Families

Rural Resources began humbly in 1993 when brothers Watt and Larry Childress, along with their wives Jennifer and Karen, decided preserving farmland in Greene County, Tenn. was important.

In their desire “to connect farms, food, and families by facilitating learning experiences to preserve farmland, natural resources, and sustainable agriculture practices to build a vibrant local food economy,” the Childresses partnered with USDA RD to support the vision of Rural Resources of a local and regional food system that not only provides healthy, fresh food from local farmers, but also strives to educate members of the community and local school children on the importance of farming and sustainable agriculture.

Tragedy struck in 2009 when a lightning strike caused a fire that destroyed Rural Resources’ primary office and programming space. With perseverance, hard work and the support of the community they serve, Rural Resources celebrated groundbreaking for its new building in April 2015 thanks to an \$85,000 USDA Rural Business Enterprise Grant and \$300,000 Appalachian Regional Council Grant.



USDA RD Under Secretary Lisa Mensah visits with three young ladies as they share their experiences in the Rural Resources Farm and Food Training Program.

Dream of Homeownership Becomes Reality

Nancy Griffin of Dyer County decided she no longer wanted to rent an apartment that was too small for her family. With the idea of wanting a bigger home, she set out to explore what financing options were available.

Griffin qualified for the USDA’s Single Family Housing Direct Home Loan Program which offered her 100 percent financing and competitive fixed interest rates for the life of the 33-year loan.

Over the next few months, the partnership created with First Southern Real Estate Realtor Thelma Stutts and USDA RD Area Specialist Orr turned Griffin’s dreams of homeownership into a reality.

“I finally have a home big enough for my family, and my mortgage payments are less than what I was paying in rent.” - Nancy Griffin



Nancy Griffin of Dyer County (bottom right) celebrates purchasing her new home with RD Specialist Brandon Orr (top left) and First Southern Real Estate Agent Thelma Stutts (top right).

State Success Story

USDA RD Grant Assists with Funding for Town of Centerville to Purchase New Patrol Vehicle

Patrol vehicles quickly accumulate mileage and significant wear and tear due to the nature of police work. In order to ensure smooth operations and reliable services for a community, the Town of Centerville's police department needed to purchase a new vehicle.

Centerville received a USDA Community Facilities grant of \$14,700, in addition to funds provided by the Town, to purchase a new patrol vehicle for the Town's police department.

"The USDA funds allowed us to replace a vehicle in our aging fleet ahead of our schedule, which will reduce the maintenance cost of our police vehicles," Centerville Mayor Gary Jacobs said.

"This grant will help us replace an aging patrol car which will enable us to better serve the citizens of our town." - Centerville Mayor Gary Jacobs



Area Director Faye McEwen (centered) poses in front of the newly-purchased patrol vehicle along with Centerville Mayor Jacobs (left of McEwen).

USDA RD Celebrates Earth Day by Announcing Loan and Grant for City of McEwen

The City of McEwen's previous water treatment plant was unable to meet permit limits enforced by the Tennessee Department of Environment and Conservation.

To resolve this issue, the City, along with a consulting engineering firm, created a Corrective Action Plan. With the help of a USDA Water and Waste Disposal Loan and Grant totaling more than \$7.4 million, the City was able to replace the current wastewater treatment plant and rehabilitate the collection system.

"The environment will benefit from a cleaner receiving stream and elimination of overflow events, the economy benefits by providing jobs, and the citizens of McEwen benefit by investing in a water and waste disposal system that meets State quality standards and will provide capacity for expansion," said State Director Bobby Goode.



State Director Bobby Goode (second to right) participates in a groundbreaking ceremony for the City of McEwen.

FY 2015 Investments in Tennessee

Programs	2015		Total FY 09-15	
	AMOUNT	AWARD	AMOUNT	AWARD
Business and Industry Guaranteed Loans	\$27,079,000	6	\$271,978,758	75
Intermediary Relending Program	\$0	0	\$1,150,000	2
Renewable Energy Loans and Grants	\$3,191,668	75	\$12,005,784	309
Business Grants	\$733,000	26	\$7,568,626	273
Rural Economic Development Loans and Grants	\$4,483,334	4	\$32,280,086	44
Value-Added Producer Grants	\$49,500	1	\$1,116,363	10
Single Family Housing Direct Loans	\$20,515,368	186	\$217,961,862	2,057
Single Family Housing Guaranteed Loans	\$931,690,869	7,256	\$4,675,868,627	38,881
Home Repair Loans and Grants	\$1,656,601	325	\$12,687,944	2,621
Self-Help Housing Technical Assistance Grants	\$0	0	\$1,006,400	2
Multi-Family Housing Direct Loans	\$17,751,555	18	\$28,097,408	32
Multi-Family Housing Guaranteed Loans	\$20,351,345	21	\$49,615,147	39
Farm Labor Housing Loans and Grants	\$0	0	\$0	0
Rental Assistance	\$26,230,512	256	\$162,624,612	1,577
Community Facility Direct Loans	\$88,235,400	21	\$340,535,158	175
Community Facility Guaranteed Loans	\$0	0	\$1,450,000	2
Community Facility Grants	\$654,700	23	\$9,396,718	280
Water and Waste Direct Loans	\$22,413,500	18	\$221,205,900	185
Water and Waste Guaranteed Loans	\$0	0	\$2,488,840	1
Water and Waste Grants	\$12,315,500	21	\$93,732,866	196
Telecommunications Loans and Grants	\$627,523	2	\$236,584,759	40
Electric Loans	\$30,000,000	1	\$261,724,000	15
All Other Programs	\$1,771,917	57	\$21,196,737	131
TENNESSEE Total	\$1,209,751,293	8,317	\$6,662,276,595	46,947

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-commercial-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 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	◆	◆	◆	◆	

* 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.

February 2015

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture,
Office of the Assistant Secretary for Civil Rights,
1400 Independence Avenue, SW, Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov (link sends e-mail).

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 Tennessee Contacts



Tennessee State Office
 3322 West End Ave, Ste 300
 Nashville, TN 37203
 Phone: 615-783-1300
TNrdStateDirector@tn.usda.gov

Union City Area Office
 1216 Stad Ave, Ste 3
 Union City, TN 38261
 Phone: 731-885-6480 x 4
Joel.Howard@tn.usda.gov

Nashville Area Office
 3322 West End Ave, Ste 302
 Nashville, TN 37203
 Phone: 615-783-1359
Christopher.Westbrook@tn.usda.gov

Cookeville Area Office
 390 S Lowe Ave, Ste K
 Cookeville, TN 38501
 Phone: 931-528-6539 x 2
Jerry.Jolley@tn.usda.gov

Knoxville Area Office
 4730 New Harvest Lane
 Knoxville, TN 37918
 Phone: 865-523-3338 x 4
Joe.Woody@tn.usda.gov

Greenville Area Office
 214 N College St, Ste 300
 Greenville, TN 37745
 Phone: 423-638-4771 x 4
Mary.Short@tn.usda.gov

Jackson Area Office
 85 G Stonebrook Place
 Jackson, TN 38305
 Phone: 731-668-2091
Arlisa.Armstrong@tn.usda.gov

Lawrenceburg Area Office
 237 Waterloo St.
 Lawrenceburg, TN 38464
 Phone: 931-762-6913 x 4
Faye.McEwen@tn.usda.gov

Chattanooga Area Office
 103 Cherokee Blvd, Ste 2A
 Chattanooga, TN 37405
 Phone: 423-756-2239 x 2

Rural Telecom Programs
 Distance Learning,
 Telemedicine and Broadband
Terry.Kokinda@wdc.usda.gov
 615-451-9498



Rural Development

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