

News Release

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Vermont Bond Bank Secures \$40 Million to Operate USDA Rural Energy Savings Program

Historic Funding to Help Rural Towns and School Districts Establish Long-Term Energy Financing Strategies, Drive Down Costs

Charlotte, Vt., Oct. 28, 2024 – Today, the Vermont Bond Bank (Bond Bank) announced that it has received a \$40 million investment from the U.S. Department of Agriculture (USDA) Rural Development (RD) to facilitate and administer the [Rural Energy Savings Program \(RESP\)](#) throughout the state. The zero-interest loan funding—the first RESP obligation in Vermont—will be used to provide municipalities and school districts with low-interest loans that take on climate change through long-term financing of energy projects that drive down costs for rural residents.

Bond Bank Executive Director Michael Gaughan was pleased to make the announcement from the Charlotte Town Garage, where the Bank helped implement an energy-financing pilot program that supplied valuable insights leading to the RESP evaluation and application process. “The Bond Bank’s RESP loan will be a game changer in reducing energy costs for Vermont’s rural villages, towns, and school districts,” he said. “The resulting flexible and low-cost loans will align incentives for communities to enhance both financial and environmental sustainability.”

Created in 1969 as the nation’s first state bond bank, the Bond Bank helps finance and implement crucial municipal infrastructure at lower costs to communities by providing access to more affordable capital. The Bond Bank does this by overcoming gaps in information, scale, and credit to allow cities, towns, villages, school districts, and other forms of government achieve equitable access to capital. This market specialization also helps with expertise in recognizing emerging needs like flood relief and managing federal requirements for faster and easier access to capital. In addition to facilities and infrastructure lending, the Bond Bank also provides post disaster bridge loans and is the financial administrator of the State of Vermont Clean and Drinking Water State Revolving Loan Funds.

USDA Rural Development supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural, tribal and high-poverty areas. Visit the [Rural Data Gateway](#) to learn how and where these investments are impacting rural America. To subscribe to USDA Rural Development updates, visit the [GovDelivery Subscriber Page](#). To learn more, visit www.usda.gov.

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