



United States
Department of
Agriculture

Rural Development



USDA Rural Development

2017 Performance Report



At USDA Rural Development, we envision a rural America with world-class resources, tools, and support to build strong and economically robust communities.



Increasing Rural Prosperity Through Infrastructure, Partnerships, and Innovation

Assistant to the Secretary for Rural Development Anne C. Hazlett

Dear Rural Partner:

From Gifford, Illinois, to Gila Bend, Arizona, rural America includes 72 percent of the Nation's land mass and 46 million people. Beyond its vast landscape and often dispersed population, rural America is a vital part of the economic and social fabric of our great country. Rural communities feed, power, and clothe our Nation and the world.

With lower costs of living, an abundant resource base, and an able and willing workforce, rural places are the center for much of our Nation's manufacturing capacity and offer great promise for the future. Rural America is home to many of our country's greatest scenic attractions, top vacation destinations, and a growing number of Americans who telecommute or operate web-based businesses, and enjoy the best of both worlds.

With these significant assets, rural America is not a place simply waiting to be developed to resemble an urban center. Rather, rural America is made of communities ready to build on their strengths and heritage for an even brighter future. Under the leadership of Secretary of Agriculture Sonny Perdue, USDA Rural Development is focused on facilitating rural prosperity and economic development in these special places through three core priorities: infrastructure, partnerships, and innovation.

For rural communities, infrastructure is a lifeline. As today's "digital superhighway," broadband "e-connectivity" is essential for enabling all Americans to be plugged into a world of opportunity. Beyond infrastructure, partnerships are critical – from economic developers to non-profit organizations to State and local leaders. USDA Rural Development seeks to build on existing relationships and develop new partners to leverage investments in rural America. Innovation is also needed as rural communities seek to be forward-focused in addressing complex challenges and embracing new opportunities. The Rural Development Innovation Center created under Secretary Perdue's leadership is building strategic partnerships, identifying best practices, and conducting data analysis to ensure the agency is serving our rural customers in the most effective way possible.

At USDA Rural Development, we envision a rural America with world-class resources, tools, and support to build strong and economically robust communities. With over 40 different programs and field staff who live and work in towns across the country, we stand ready to be a partner in prosperity to these special places.

Sincerely,

Anne C. Hazlett
Assistant to the Secretary for Rural Development

USDA Infrastructure Investments Open New Opportunities in Rural Idaho

Plummer, Idaho, is a small rural city with a population of just over 1,000 people located in the center of the Coeur D'Alene Reservation. Forty percent of city residents are Native American. The area is economically depressed and suffers from low income and a lack of opportunity.

Plummer's electric utility, Plummer Power, has an old, deteriorating infrastructure that is causing frequent service outages and other problems. This discourages commercial and industrial development even as manufacturers seek development sites in the region. Idaho's Heyburn State Park is also close to Plummer, and offers prospects for recreation and tourism economic development, but the city needs a modern, stable supply of electric power to capitalize on these opportunities.

Plummer city officials came to USDA Rural Development for help to repair and replace its aging electric utility infrastructure. They passed a referendum allowing for up to \$6 million in borrowing through USDA to upgrade Plummer Power's electric service and provide a stable base for future economic growth.

Rural Development provided an initial guaranteed electric program loan of \$1.085 million in FY 2017 to upgrade electric power poles and make other critical engineering improvements to the system.

This is only the first step in Plummer Power's plan to bring its electric infrastructure into the 21st century. As it continues its modernization campaign, Rural Development will be there every step of the way. The project will provide city residents with more reliable electric power and new opportunities for business growth.

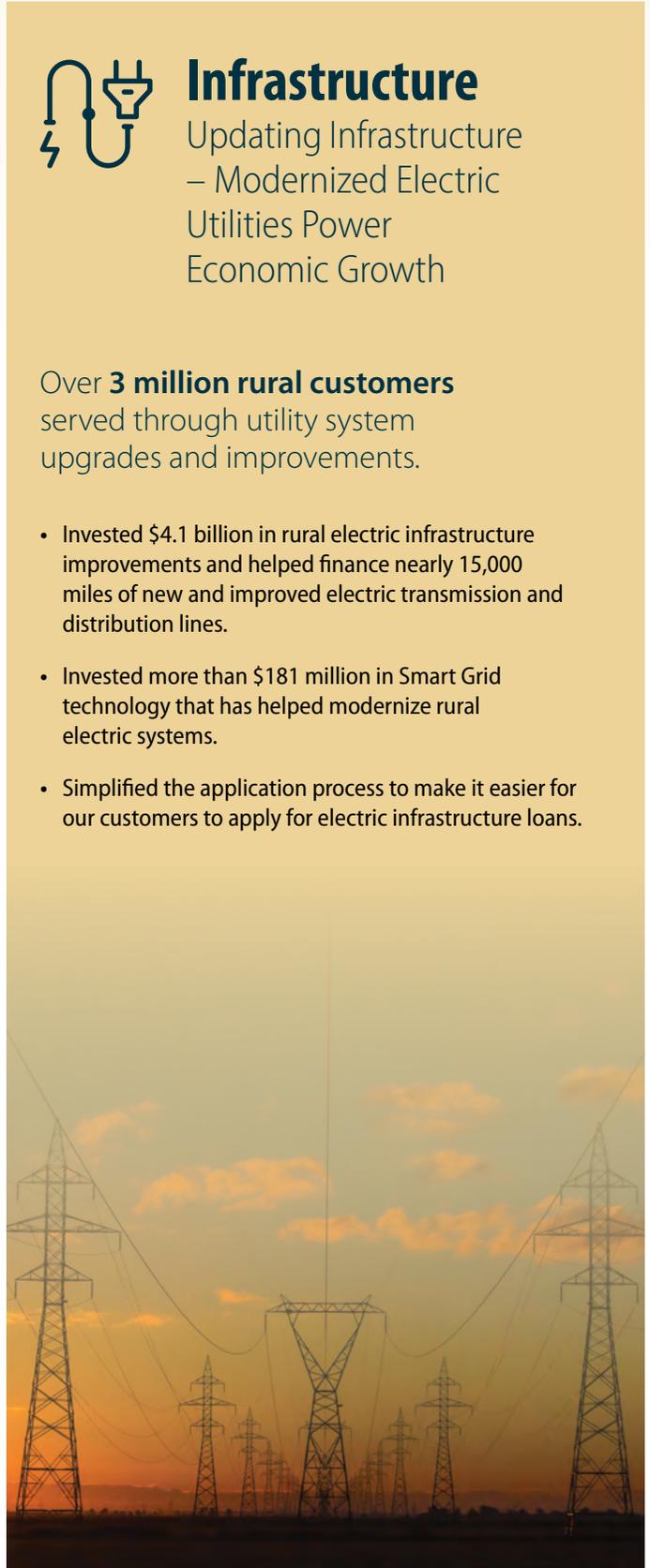


Infrastructure

Updating Infrastructure
– Modernized Electric
Utilities Power
Economic Growth

Over **3 million rural customers** served through utility system upgrades and improvements.

- Invested \$4.1 billion in rural electric infrastructure improvements and helped finance nearly 15,000 miles of new and improved electric transmission and distribution lines.
- Invested more than \$181 million in Smart Grid technology that has helped modernize rural electric systems.
- Simplified the application process to make it easier for our customers to apply for electric infrastructure loans.



Changing Lives, Building Futures

Opioid misuse has reached epidemic proportions and has killed thousands of Americans, with a disproportionate impact on rural communities. In California, Community Recovery Resources (CoRR), a nonprofit community benefit organization that provides substance abuse and mental health treatment in Nevada and Placer Counties, built a 37,000-square-foot treatment facility to combat this epidemic and help families overcome addiction.

For one family, CoRR paved the road to a future that might not have been. Both parents struggled with drug use and were homeless when they entered treatment at CoRR. They had lost custody of their three older children and the mother was 4 months pregnant. As part of her recovery plan, she received prenatal care, and she and her husband not only received drug treatment but marital counseling as well. After 90 days, they both graduated successfully and moved into CoRR's clean and sober supportive housing for 6 months. During that time, they regained custody of their children and the husband secured a job. Soon a healthy baby boy was born into a stable, loving, healthy family, and he attended CoRR's child development center. Two weeks later, the family secured their own apartment.

The campus includes patient housing, medical care, counseling, and treatment for alcohol and illicit drug use. Today, treatment services at this facility help about 2,000 northern Californians each year recover from substance abuse and other related health behavior disorders, but this dream was once in jeopardy.

CoRR could not afford a regular, commercial bank loan because interest rates were too high and loan terms were too short. However, USDA Rural Development was able to provide CoRR with a 40-year, low-interest loan for \$9.3 million through the Community Facilities Direct Loan program.

Now, 5 years after opening its doors in Grass Valley, CA, the facility has become a beacon of hope in a region that ranks among the highest in the State as needing treatment options. "USDA's support for the campus has created a tremendous opportunity in our community, as well as a model for others," said CoRR chief executive officer Warren Daniels. "The campus has been referred to as a local solution for today and national model for tomorrow."



Partnerships

Community Facilities –
Vital Underpinnings of
Economic Development

Approximately **24 million rural residents** served through about **1,334 new or improved** healthcare, public safety or educational facilities.

- Invested \$914 million in projects that provide essential community services such as schools, libraries, municipal centers, first responder vehicles and equipment, social service buildings, recreational activities and other community needs.
- Invested \$563 million in projects to provide enhanced health care facilities and services in rural communities.
- Invested almost \$30 million in community infrastructure projects such as street improvements, surface transportation, aviation, ports, water and storm water resources, and energy production and generation.
- Strengthened relationships with our partners who help rural communities recover from natural disasters.



Helps Expand Broadband Infrastructure in Iowa

Western Iowa Telcom, commonly known as Wiatel, serves nearly 4,000 residential and business customers in and around 12 northwest Iowa rural communities across its service territory that covers almost 750 square miles.

USDA provided Wiatel with a \$24.8 million loan in fiscal year 2017 for an extensive fiber-to-the-premise project that will greatly expand high-speed broadband internet access—and offer increased healthcare, educational, and business services—for the region. The 3-year project to bring fiber into homes and businesses in or near communities in Monona and Woodbury Counties will proceed in phases and should be completed in 2019.

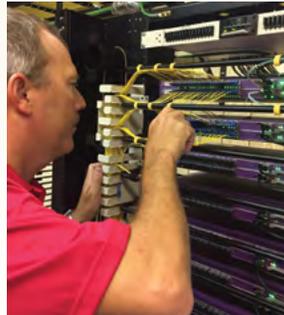
USDA Rural Development-funded broadband infrastructure investments are uniquely designed to meet the specific needs of each rural community. At any given time, there will be as many as 20 construction crew members and 10 cutover crew members working on the project, providing a significant local economic impact to area hotels, restaurants, fuel stations, and other local retailers and vendors. The new fiber network will allow Wiatel to provide gigabit internet, internet protocol television, and voice services to almost all of its customers.

Matt Hansen had an opportunity to work for Pexip, a videoconferencing software startup based in Oslo, Norway. He wanted to return to the Midwest with his family, but the offer was contingent on him having the ability to participate in daily video calls through reliable high-speed broadband infrastructure. Luckily, Hansen learned about the Wiatel fiber network under construction at the time. His family moved to Moville, Iowa, a very small rural town of 1,620 residents.

Today, Pexip's global operational headquarters is located on Main Street in Moville. Hansen, Vice President of Global Operations at Pexip, reports that he has 1 gigabyte of Wiatel service piped into the office at an amazing price from a service provider that knows the company by name when employees call.

"Every software license and sale from our thousands of customers across the globe comes through this office so reliability is critical," he says. "Our Moville office holds high definition video calls with colleagues, customers, and partners around the world on a daily basis with no lag or jitter. People from big cities are fascinated to hear that in this small town in Iowa, I have service that rivals if not exceeds what they are able to get from their large-scale providers."

"Broadband helps create jobs," said Timothy Helmbrecht, USDA Rural Development Administrative Programs Director in Iowa. "It also helps rural areas offer the programs and services that strengthen economies and encourage growth."



Wiatel began transitioning customers over to a fiber network earlier this year. When the 3-year project is complete, gigabit internet access will be accessible throughout the company's rural service area.

Innovation

Telecommunications Facilities – Connecting Rural Communities to the Future

- Almost 158,490 rural subscribers served through new or improved telecommunications and broadband service.
- Simplified the application process to make it easier for our customers to apply for distance learning and telemedicine grants.

Leveraging Available Resources – Streamlining Program Delivery

- Created an Innovation Center to develop new ways to use our resources more effectively to help rural communities.
- Identified 14 regulations to be rewritten or eliminated to remove barriers preventing customers from accessing our programs.



Rural Development Programs Fiscal Year 2017 Yearly Totals

	AMOUNT	NUMBER OF AWARDS
Business and Industry Loan Guarantees ¹	\$1,416,972,810	407
Intermediary Relending Program	\$18,889,272	31
Renewable Energy Grants and Loan Guarantees ²	\$744,946,687	1,841
Rural Development Business Grants	\$27,490,209	499
Rural Economic Development Loans and Grants	\$47,876,867	80
Value-Added Producer Grants ³	\$6,013,565	13
Water and Waste Disposal Direct Loans	\$1,310,758,050	630
Water and Waste Disposal Loan Guarantees	\$5,070,341	6
Water and Waste Disposal Grants	\$589,714,775	760
Telecom Loans and Grants ⁴	\$502,275,024	107
Electric Direct Loans and Loan Guarantees	\$4,230,681,000	115
Single-Family Housing Direct Loans	\$1,000,659,880	7,194
Single-Family Housing Loan Guarantees	\$19,279,916,900	134,072
Single-Family Housing Repair Loans and Grants	\$48,511,515	8,196
Single-Family Housing Self-Help Technical Assistance Grants	\$27,626,750	29
Multi-Family Housing Rural Rental Housing Direct Loans	\$62,404,334	87
Multi-Family Housing Loan Guarantees	\$176,969,693	106
Farm Labor Housing Loans and Grants	\$45,391,272	32
Rental Assistance	\$1,365,032,998	302,451
Community Facilities Direct Loans	\$2,599,999,999	705
Community Facilities Loan Guarantees	\$149,502,889	33
Community Facilities Grants	\$43,766,396	1,167
All Other Programs ⁵	\$97,635,833	5,921
Nationwide Total	\$33,802,605,952	464,489

¹ For all loan guarantee programs, Rural Development backs the loans, which are made by private-sector lenders that partner with USDA to participate in the programs.

² Renewable Energy Grants and Loan Guarantees include the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program. The number of obligations includes the multiple payments made to each recipient under the Advanced Biofuel Payment Program.

³ Value-Added Producer Grants are the balance of FY 2016 awards which were processed in FY 2017.

⁴ Telecom includes Farm Bill broadband loans, Community Connect grants, Distance Learning and Telemedicine grants, Telecommunications Infrastructure loans.

⁵ Other programs refers to smaller scale programs: Rural Housing Site Loans, Housing Application Packaging, Individual Water and Waste, Technical and Supervisory Assistance, Housing Preservation Grants, Multi-Family Housing Preservation and Revitalization Loans and Grants, and Tenant Vouchers; Rural Business Investment and Rural Microentrepreneur Assistance Programs, Rural Cooperative Development, Delta Health Care Services, and Socially Disadvantaged Groups Grants; and Bulk Fuel, High Energy Cost Grant, Rural Alaska Village Grant, and Circuit Rider Technical Assistance Programs.

Data tables in the report reflect funding levels for USDA Rural Development programs as of Sept. 30, the close of the fiscal year. These figures can be subject to change based on de-obligations or other adjustments that may occur after the close of the fiscal year.

Update November 2018

Rural Development Loan Portfolio as of September 30, 2017

LOAN PORTFOLIO	# OF LOANS	AMOUNT OF PRINCIPAL OUTSTANDING
DIRECT PORTFOLIO		
Business and Cooperative		
Business Programs	23	\$9,116,000
RMAP	145	\$35,158,867
Intermediary Relending Program	1,062	\$378,348,000
Rural Economic Development	380	\$184,490,407
Total Business & Cooperative	1,610	\$607,113,274
Utilities		
Water & Waste	15,544	\$12,519,864,210
Electric	2,201	\$41,465,215,893
Telecommunications	1,048	\$3,714,586,824
Total Utilities	18,793	\$57,699,666,927
Housing and Community Facilities		
Single Family Housing	268,137	\$14,917,050,133
Multi-Family Housing	23,251	\$10,441,471,000
Community Facility	5,973	\$7,336,959,166
Total Housing & Community Facilities	297,361	\$32,695,480,299
Total Direct Portfolio	317,764	\$91,002,260,500
GUARANTEED PORTFOLIO		
Business and Cooperative		
Business Programs	3,037	\$6,527,743,876
Total Business & Cooperative	3,037	\$6,527,743,876
Utilities		
Water & Waste	88	\$113,884,045
Electric/Other	15	\$168,845,741
Total Utilities	103	\$282,729,786
Housing and Community Facilities		
Single Family Housing	1,005,800	\$120,491,775,704
Multi-Family Housing	911	\$1,071,686,109
Community Facility	613	\$1,128,813,908
Total Housing & Community Facilities	1,007,324	\$122,692,275,721
Total Guaranteed Portfolio	1,010,464	\$129,502,749,383
TOTAL LOAN PORTFOLIO	1,328,228	\$220,505,009,883

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For information on eligibility and how to apply, contact us

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

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



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