



## RURAL DEVELOPMENT-RURAL UTILITIES SERVICE LOAN AND GRANT PROGRAM

USDA/Rural Development/Rural Utilities Service (RUS) administers water and wastewater loan and grant programs to improve the quality of life and promote economic development in Rural America. These programs were previously administered by the Farmers Home Administration (FmHA)

### **Applicant Eligibility**

Loan and grant funds are available to public entities such as incorporated towns and cities, water and/or sewer districts, counties, Indian Tribes, and cooperatives. All applicants with a population of 10,000 or less are eligible with a priority given to those with a population of less than 5,500. The census data obtained from the most recent decennial census is used to determine population and income.

### **Project Eligibility**

Loan and grant funds may be used to develop, improve, or upgrade water, wastewater, solid waste disposal, and storm drain systems.

### **Funding Considerations**

RUS has an open application cycle and applications may be funded any time during the year. The maximum loan term is 40 years and our lowest interest rate is presently 4 ½%. The maximum grant amount is 75% of the project costs. Grant assistance is available to the most financial needy communities and is intended to provide for affordable user rates.

RUS does not have any loan origination fees and does not require a prepaid reserve account. The reserve, which is based on 110% coverage and collected monthly, may be used for emergency system repairs or to replace short lived system components. The forty-year maximum term enhances affordability for low-income users and gives the community more flexibility in repayment of debt.

### **Application Process**

RUS has an open application cycle so applications may be submitted for consideration any time during the year. Upon receipt of a complete application, RUS can determine the amount of loan and grant eligibility and can establish the time line for availability of funding.

### **Contact Information**

- Contact any of the 47 USDA Rural Development State, Local, or Area Offices, USDA Service Centers, or the Administrative Services Division, RUS, Washington, D.C. 20250
- The State Director, USDA Rural Development, or by the Water Programs Division, Washington, D.C. at (202) 720-9583
- The USDA Water Programs Internet Home page at <http://www.usda.gov/rus/water/>