Water and Environmental Programs

Direct Loans and Grants

Presented by Jack Stanek
Georgia FY 2019 Funding Allocation

Direct Loan Funds: $49,501,000
Grant Funds: $15,037,000
**Program Interest Rates (as of April 1, 2019)**

Present rates (subject to change quarterly):

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
<th>Income Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>4.500%</td>
<td>(above $49,785)</td>
</tr>
<tr>
<td>Intermediate</td>
<td>3.375%</td>
<td>($39,828 - $49,785)</td>
</tr>
<tr>
<td>Poverty</td>
<td>2.500%</td>
<td>(below $39,828)</td>
</tr>
</tbody>
</table>

**NOTE:** Interest rate is based on applicant’s median household income as shown in the 2006-2010 American Community Survey. The Poverty Rate also involves alleviating a documented health or sanitary problem.
Eligibility

• Rural communities with populations of less than 10,000 (2010 Census)
• Cannot obtain financing through bonds or from other lenders at reasonable rates and terms
• Must be a Public Body or Non-Profit Corporation
• Must have the legal authority to incur debt
Facilities eligible for funding

Small municipal and rural:

- water systems
- sewer systems
- stormwater systems

**NOTE:** Projects must primarily benefit *rural residential* users.
USDA funds cannot be used for:

- On-site utility system
- Business and industrial buildings in industrial parks
- Recreational facilities
- Lavish facilities
- Combined sanitary and storm water facilities
Terms of Repayment

- Useful remaining life of facility or 40 years, whichever is less
- Up to 3 year deferral of principal to allow a new facility to become operational and financially stable
- Interest payments are due during the deferral period
- No prepayment penalty
Security

➢ Public Bodies
  • revenue bonds
  • general obligation bonds
  • special assessment bonds

➢ Non-Profit Corporations
  • promissory notes
  • real estate mortgages
  • financing statements
  • security agreements
Maximum Loan Amount

Up to 100% of eligible project costs subject to:

- Adequate security
- Ability to repay
- Applicant’s authority to borrow funds
- Availability of funds
Grants

- Cannot be received with a guaranteed loan
- Are used to supplement direct loans to reduce user rate costs to a reasonable level (at least 1.0% MHI)
- Cannot exceed 75% of eligible costs for projects eligible for poverty rate or 45% for intermediate rate (80% to 100% State Non-metropolitan MHI)
Emergency Community Water Assistance Grants

- Grant to alleviate a significant decline in the quality or quantity of water as a result of an emergency
- Repair of distribution lines – up to $150,000
- Improvements to water source – up to $500,000
- Public body or non-profit corporation in a rural area with a population of less than 10,000
- Simplified application process
- Abbreviated PER and ER
SEARCH Grants

• Grant for feasibility studies, design assistance and technical assistance
• Not to exceed $30,000
• Public body or non-profit corporation in a rural area with a population of less than 2,500
• MHI of less than $39,828
• No resources to pay predevelopment expenses (PER, ER, etc.)
Predevelopment Planning Grants (PPG)

- Grant for development of PER and ER
- Not to exceed $30,000 or 75% of eligible costs, whichever is less
- Public body or non-profit corporation in a rural area with a population of less than 10,000
- MHI of less than $39,828
- No resources to pay predevelopment expenses (PER, ER, etc.)
RD Apply

- Electronic submission of waste and waste disposal application
- Effective October 1, 2015
- https://rdapply.sc.egov.usda.gov/Intake/spring/AppHomeFlow?execution=e1s1

Click on “Help” in upper left corner for Customer User Guide and You Tube Videos
USDA Area Offices

Cartersville
770-386-3393

Monroe
770-267-1413

Fort Valley
478-827-0016

Sandersville
478-552-0901

Tifton
229-382-0273

Douglas
912-384-4811

USDA State Office – 706-546-2171

http://www.rd.usda.gov/ga
USDA Rural Development is committed to the future of rural communities.