Rural Development’s Community Facility Loan and Grant Program

What is the Primary Objective?
- Community facilities such as health care clinics, police, fire stations, voluntary or rural fire departments, schools and child care centers are essential to the quality of life in any rural community. USDA Rural Development is striving to ensure that such facilities are readily available to all rural Americans. The commitment of USDA to this effort is at the core of its mission and its promise to help build stronger, more vibrant rural communities across the nation.

How Much Assistance is Available?
- Fiscal Year 2006 Funding:
  - Loan Funding: $5,713,000
  - Grant Funding: $280,000
  - Loan Guarantee Funding: $4,030,000

Who is Eligible?
- Community Programs provides grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population.
- Loans, grants, and guarantees are available to public entities such as municipalities, counties, and special purpose districts, as well as to nonprofit corporations and tribal governments.
- Applicants must have the legal authority necessary for construction, operation, and maintenance of the proposed facility and be unable to obtain needed funds from commercial sources at reasonable rates and terms.

What are Eligible Purposes?
- Loan and grant funds may be used to assist in the development of essential community facilities. Funds may be used to construct, enlarge, or improve community facilities for health care, public safety and public services. This can include costs to acquire land for a facility, pay professional fees, or purchase equipment.
- A grant may be made in combination with other CF financial assistance such as direct or guaranteed loans, applicant contributions, or loans and grants from other sources.

Loan Requirements
- Maximum Loan Term: 40 years — However, the repayment period is limited to the useful life of the facility or any statutory limitation on the applicants borrowing ability.
- Interest Rate: Interest rates for direct loans are fixed and dependent upon the median household income of the residents of the community to be served. Interest rates for guaranteed loans may be fixed or variable as determined by the lender and borrower, subject to RD review and approval.
Loan Requirements Continued

- **Security Required:** Bonds or notes pledging taxes, assessments, or revenues will be accepted as security if they meet statutory requirements. Where State laws permit, a mortgage may be taken on real and/or chattel property.

Grant Requirements

- The amount of grant assistance for project costs depends upon the median household income and the population in the community where the project is located and the availability of grant funds. In most instances, projects which receive grant assistance have a high priority and are highly leveraged with other funds. Grant assistance may be available for up to 75% of project costs. Grant funding limitations are based on population and income, economic feasibility, and availability of funds.
- Projects will be selected based on a priority point system. Projects that will receive priority are those that: Serve small communities - with the highest priority going to projects located in a community with a population of 5,000 or less, and are for First Responders, Rural or Volunteer Fire Departments, and Healthcare Facilities.

How Do I Submit an Application or Obtain Additional Information?

- To submit an application, you will need to locate the Rural Development area office where your county is located and contact the person indicated below.

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**Area 1:** Green Shaded Area  
Tom Barber, Area Director  
4900 Oklahoma Ave.  
Woodward, OK 73801  
(580) 256-3375 ext. 5

**Area 2:** Purple Shaded Area  
Jerry Efurd, Area Director  
2600 S. Main  
Stillwater, OK 74074  
405) 624-0144 ext. 4

**Area 3:** Orange Shaded Area  
Tommy Earl, Area Director  
806 W. 11th St.  
Hobart, OK 73651  
(580) 726-5625 ext. 4

**Area 4:** Cream Shaded Area  
Jerry Tucker, Area Director  
102 West Ruth Ave.  
Atoka, OK 74525  
(580) 889-6668 ext. 4

**State Office Contact:**  
800-522-3819