What is this Program?
USDA Rural Development develops and repairs water, sewer, storm drainage, and solid waste water systems.

Who May Apply?
- Available to public bodies, tribes, and nonprofits (cities, water districts, and mutual water companies)
- Applicants must be unable to obtain the financing from other sources at rates and terms they can afford and/or their own resources
- Population may not exceed 10,000

How May Funds Be Used?
- Construction
- Land acquisition
- Legal fees
- Engineering fees
- Capitalized interest
- Equipment
- Initial operation
- Maintenance costs
- Project contingencies
- To connect service lines to a residence
- Pay utility hook-up fees

What are Loan Rates/ Terms?
- Typical funding: $1-3 million
- The interest rates that are used to calculate these loans are subject to change quarterly
- Loans are made based on the applicant's authority and the life expectancy of the system's project, which may be up to the maximum of 40 years
- This loan program is based on repayment ability, and is calculated on similar systems rates, median household income, financial status of the system, and outstanding indebtedness
- There are some systems that qualify for grant funding; however, grant funding availability is limited. Applicant contributions show ownership in the projects and are often recommended. These applicant contributions are the first money spent in any project.

How Do I Apply?
Applications are accepted year-round. Contact your local Rural Development office using the list to the right.

What Types of Projects Are Eligible?
- Water
- Sewer
- Solid waste and storm drainage systems
- New and repair projects- for domestic and industrial users

Questions? Contact Us
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