Committed to the Future of Rural Communities

Rural Development Loan & Grant Programs Available in Michigan

March 2005

Rural Housing Program www.rurdev.usda.gov/rhs/index.html

Program	Objective	Applicant	Uses	Population	Loan/ Grant	Terms/Conditions
Single Family Home Ownership Loans	To provide safe, well-built, affordable homes for rural Americans.	Families and individuals apply to Rural Development.	Buy, build, improve, repair or rehabilitate rural homes as the applicant's permanent residence.	Rural areas and communities of 20,000 or less population.	Direct loan	Up to 100% of market value or cost, whichever is less. Loan amortized for 33 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Home Repair Loans and Grants	To help very-low income applicants remove health and safety hazards, make essential repairs or make accessible for residents with disabilities.	Families and individuals that currently own their home apply to Rural Development.	Loan and grant purposes include: winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses.	Rural areas and communities of 20,000 or less population.	Direct loan and grant	Terms to 20 years at 1%. Assistance to individual may not exceed $20,000. Grants available to applicants 62 years or older with limited income. Maximum grant is $7,500
Mutual Self-Help Housing Loans/Grants	Individuals build homes as a group with construction guidance of a non-profit organization.	Families and individuals apply to participating non-profit agency. Grant funding available to non-profits for administration.	Loan applications are processed on an individual basis for each participating family. Loan is provided for site, material and skilled labor.	Rural areas and communities of 20,000 or less population.	Direct loan	The individual families receive a direct loan. The non-profit housing organization receives grant to hire a supervisor and pay other administrative expenses
Single Family Home Ownership Guaranteed Loans	Assist eligible applicants in buying homes by guaranteeing loans from private lenders.	Families and individuals apply to a private lender.	Loans may be made to purchase new or existing homes.	Rural areas and communities of 20,000 or less population.	Loan guarantee	30 year, fixed rate interest negotiated between lender and borrower Loans to 100 percent of market.
Rental Housing for Families and Elderly Direct Loans and Loan Guarantees	Safe, well-built and affordable rental housing for rural Americans.	Individuals, profit and non-profit organizations. For guarantees, apply to intermediary; for direct apply to RD.	New construction or substantial rehabilitation of rental housing.	Rural areas and communities of 20,000 or less population.	Direct loan or loan guarantee	Up to 100% of market value (non-profits); 97% (for profit) 30 year term with up to 50 years amortization.
Housing Preservation Grants	Repair and rehabilitate housing owned or occupied by low-income rural people.	Public bodies and non-profit corporations apply to Rural Development.	Operate a program that finances the repair and rehabilitation activities for single family and small rental properties.	Rural areas and communities of 20,000 or less population.	Grant	Grant agreement conditions
Farm Labor Housing	Safe, well-built affordable housing for farm workers.	Individuals, profit and non-profit organizations apply to Rural Development.	New construction or substantial rehabilitation of farm labor housing.	No limit.	Direct loan and grant	Up to 100% of market value Up to 33 years at 1% interest

Rural Business & Cooperative Development Program www.rurdev.usda.gov/rbs/index.html

Program	Objective	Applicant	Uses	Population	Loan/ Grant	Terms/Conditions
Business and Industry Loan Guarantees	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Business applies through federal or state-chartered banks, credit unions or savings & loan associations.	Most legal business purposes except production agriculture. Uses include acquisition, start-up and expansion of businesses that create rural employment.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Loan guarantee	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly
Renewable Energy Program	Promote renewable energy	Farmers, ranchers and small businesses	Renewable energy and energy efficiency projects	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	Energy Project – 25% of cost or $500,000 Energy Efficiency Projects - $250,000 Must be for commercially available technology and technically feasible. Must have sufficient revenues to provide for operation and maintenance
Rural Business Enterprise Grants	Finance and facilitate the development of small and emerging private businesses.	Public bodies; nonprofit corporations apply to Rural Development.	Buy and develop land, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions and rural distance learning networks. Recipients can make loans to third parties.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	When grant funds are used for revolving loan fund (RLF) the intermediary makes loans to businesses with terms consistent with security offered.
Intermediary Re-lending Program Loans	Finance business facilities and community development projects in rural areas	Public bodies, nonprofit corporations, tribes and cooperatives apply to Rural Development.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and places with populations of less than 25,000.	Direct loan	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	RUS financed electric and telephone cooperatives apply to Rural Development.	Business startup or expansion projects that create rural jobs.	Rural areas with populations of 50,000 or less	Direct loan	The intermediary, electric or telephone cooperatives make loans or grants to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0% for 10 years.
Renewable Energy & Efficiency Grants	Matching grant program for renewable energy systems or energy efficiency improvements	Small businesses, farmers and ranchers	Pay up to 25% of project costs including wind, solar, biomass, geothermal, or other renewable energy sources. Also can be used to make energy efficiency improvements.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	Availability of grant funds is announced annually in the Federal Register. Contact the state office for more information.
Value-Added Producer Grants	Matching grant program for value-added ventures.	Agricultural producers and producer organizations.	Used to conduct feasibility analyses, develop business and marketing plans and conduct other types of studies to help establish a viable value-added business venture. Can also be used to establish working capital accounts	Not applicable	Grant	Feasibility studies, business plans, and possibly other studies will be required before grant funds can be used as working capital.

Direct Loans and Grants - Apply to Rural Development Loan Guarantees - Apply to Intermediary (approved banks, credit unions, etc)

Community Programs (Rural Utilities & Community Facilities) www.rurdev.usda.gov/rus/index.html

Program	Objective	Applicant	Uses	Population	Loan/ Grant	Terms/Conditions
Water and Waste Disposal Loans and Grants	Providing infrastructure for rural areas.	Public entities, tribes and non-profit corporations apply to RD.	Construct, repair, modify, expand or improve water supply and distribution systems, waste collection and treatment systems and other related costs.	Rural areas and places with up to 10,000 population.	Direct loan and grant. Guarantees available	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment maximum 40 years. Grant funds may be available.
Water and Waste, Predevelopment Planning Grants	Pay costs associated with developing a water or sewer application for funding.	Public entities, tribes and non-profit corporations apply to RD. The applicant must demonstrate that they do not have the funds available to pay for the preliminary costs.	Pay for items needed for an application such as a Preliminary Engineering Report, Environmental Report, etc. No payment for costs incurred before grant award.	Rural areas and places with up to 10,000 population. MHI below 80% of the State Non – Metro MHI.	Grant	Grant cannot exceed 75% of the planning costs or $15,000 whichever is less.
Solid Waste Management Grants	Provide technical assistance and/or training to help communities reduce the solid waste stream.	Non-profit organizations and public bodies contact RD State Office.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities, reduction of solid waste streams.	Rural areas and places with up to 10,000 population.	Grant	Projects funded based on selection at National Level.
Community Facilities Program www.rurdev.usda.gov/rhs/cf	Provide essential community facilities for rural communities.	Public bodies and non-profit groups. Guaranteed apply to intermediary, direct and grant apply to Rural Development.	Build facilities, buy equipment or operating costs. Fire and rescue, telecommunications for schools, libraries, hospitals. Not for recreation activities	Rural areas and communities of 20,000 or less population.	Direct loan, loan guarantee and grant	Up to 100% of market value with up to 40 years amortization or life of security.

Telecommunications Program www.usda.gov/rus/telecom/index.htm

Program	Objective	Applicant	Uses	Population	Loan/ Grant	Terms/Conditions
Electric and Telecommunication.	Provide financial aid through direct and guaranteed loans.	Non-profit and cooperative associations, public bodies and other utilities.	Generation, bulk transmission facilities and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable.	Rural areas	Direct loan or loan guarantee.	Interest rates are established in accordance with 7CFR 17145.
Distance Learning and Telemedicine	Development and deployment of advanced telecommunication services throughout rural America.	An incorporated entity, including a municipal corporation which operates, or will operate an educational institution, including a regional educational laboratory, library, hospital, medical center, medical clinic or any rural community facility. Rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities. Application submitted to the RD National Office, Washington, DC.	Equipment for classrooms: cameras, video monitors computers and LAN; and for physician consultation, radiology, x-ray scanners and digital microscopes.	Rural areas	Direct loan and/or grant.	Matching funds are required.
Broadband	Facilitate deployment of new and innovative technologies to provide two-way data transmission of 200 kbps or more	Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Other criteria apply.	Construction, improvement and acquisition of facilities and equipment to provide broadband service	Rural communities with populations up to 20,000	Grant, direct loan or loan guarantee	Minimum direct or guaranteed loan is $100,000.

Telecommunications Contact:
Donald Couzens
General Field Representative
Telecommunications Program
P.O. Box 635
Holt, MI 48842
(517) 676-9031
donald.couzens@usda.gov

Electrical Infrastructure Contact:
USDA Rural Development
Electric Staff Division
STOP 1569,
1400 Independence Ave. SW,
Washington, DC 20250-1569.

Rural Development is an Equal Opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to: USDA
Director, Office of Civil Rights
Washington, D.C. 20250-9410

USDA Rural Development

Michigan Offices

Michigan State Office
3001 Coolidge Road, Suite 200
East Lansing, MI 48823

For home purchase and repair inquiries contact a local office. For Community Facilities, Rural Utilities and Multi-Family Housing inquiries contact your closest area office. For Rural Business and other inquiries contact the state office.

Area Offices

Caro
1075 Cleaver Rd., P.O. Box 291
Caro, MI 48723
(989) 673-7588, Ext. 6

Gladstone
2003 Minneapolis, P.O. Box 231
Gladstone, MI 49837
(906) 428-1060, Ext. 6

Grand Rapids
3260 Eagle Park Dr., Suite 107
Grand Rapids, MI 49525
(616) 941-4111, Ext. 6

Howell
3469 East Grand River
Howell, MI 48843
(517) 548-1550, Ext. 6

Traverse City
1501 Cass Street
Traverse City, MI 49684-0517
(231) 941-0951, Ext. 6

Guarantee Offices

Howell
3469 East Grand River
Howell, MI 48843
(517) 548-1550, Ext. 6
Statewide

Traverse City
1501 Cass Street
Traverse City, MI 49684-0517
(231) 941-0951, Ext. 6
Statewide

Local Offices

Berrien Springs
3334 Edgewood Road
P.O. Box 129
Berrien Springs, MI 49103
(269) 471-9111, Ext. 4
Allegan, Barry, Berrien, Branch, Calhoun, Cass, Eaton, Kalamazoo, St. Joseph, Van Buren counties

More Local Offices

Cadillac
7192 E. 34th Rd.
Cadillac, MI 49601
(231) 775-7681, Ext. 4
Antrim, Benzie, Charlevoix, Cheboygan, Emmet, G. Traverse, Kalkaska,Lake, Leelanau, Mansitee, Mason, Missaukee, Osceola, Wexford counties

Flint
1525 North Elms Rd.
Flint, MI 48532
(810) 230-8766, Ext. 4
Bay, Genesee, Huron, Lapeer, Midland, Saginaw, St. Clair, Sanilac, Shiawassee, Tuscola counties

Grand Rapids
3260 Eagle Park Dr., Suite 107
Grand Rapids, MI 49525
(616) 942-4111, Ext. 6
Clinton, Gratiot, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Ottawa counties

Howell Local Office
3469 E. Grand River
Howell, MI 48843
(517) 548-1550, Ext. 4
Hillsdale, Ingham, Jackson, Lenawee, Livingston, Macomb, Monroe, Oakland, Wayne, Washtenaw counties

Sault Ste. Marie
2847 Ashmun
Sault Ste. Marie, MI 49783
(906) 632-9611, Ext. 4
Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinaw, Marquette, Menominee, Ontonagon, Schoolcraft counties

West Branch
240 W. Wright St.
West Branch, MI 48661
(989) 345-5470, Ext. 4
Alcona, Alpena, Arenac, Clare, Crawford, Gladwin, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon, counties

Statewide Toll Free: 1-888-771-6993 or 1-800-944-8119
TDD: 800-649-3777