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USDA WATER & WASTE DISPOSAL LOANS & GRANTS PROGRAM

How It Works

Provides federal grants and loans from the U.S. Department of Agriculture's (USDA) Rural Development agency (formerly Farmers Home Administration) for water, sewer, storm sewer, and solid waste systems. In Minnesota, the program is delivered through the various regional USDA offices.

Eligible Applicants

Cities, public bodies, non-profit corporations, and Indian tribes.

Minimum Requirements

- 1.) The project service area must have a population under 10,000.
- 2.) The applicant (City) must be unable to borrow money elsewhere at rates and terms to make the project affordable.

Financing Terms

- 1.) A decision on whether or not grant money is involved is based on calculations by USDA staff. Grants may be available if:
 - The median household income of the City is at or below \$27,496 (based on the 2000 federal census); and,
 - If a grant is needed to reduce the annual cost of the system (water, sewer) to what similar communities are paying.
- 2.) For loans:
 - The interest rate depends on the median household income of the City. The rate can typically be as low as 4.5% and will usually be no higher than commercial bond rates.
 - The loan term is up to 40 years.

Timetable

Applications can be submitted year-round. Projects are evaluated and ranked for funding by USDA staff, based on the availability of funds for the current fiscal year.

The above description is adapted from USDA Rural Development's web site.
For more information, visit them at...

www.rurdev.usda.gov