

# Water & Waste Disposal Loan & Grant Program

## Immediate Measures to Support Rural Communities Affected by COVID-19

**Borrowers may request the use of reserve account funds as a short-term solution to a one-time funds shortage.**

**Borrowers in good standing may request short-term deferred, reduced or interest-only payments.**

**Technical assistance is available to assess needs, develop workout agreements, develop/update vulnerability assessments and emergency response plans, and deliver financial and utility management training.**

**Rural Development will consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency.**

**Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.**

**Borrowers seeking assistance from the Small Business Administration (SBA) Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act have flexibility to apply for funding without prior written consent from the Water and Waste Disposal Program through June 30, 2020. Lenders for the Guaranteed Loan Program may also approve and make covered loans under the SBA PPP, with some notification requirements, through September 30, 2020.**

### What does this program do?

This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

### Who may apply?

This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- Most state and local governmental entities
- Private nonprofits
- Federally recognized Tribes

### What is an eligible area?

Areas that may be served include:

- Rural areas and towns with populations of 10,000 or less – check eligible addresses
- Tribal lands in rural areas
- Colonias

### What kinds of funding are available?

Long-term, low-interest loans. If funds are available, a grant may be combined with a loan if necessary to keep user costs reasonable.

### How may the funds be used?

Funds may be used to finance the acquisition, construction or improvement of:

- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal
- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal

In some cases, funding may also be available for related activities such as:

- Legal and engineering fees
- Land acquisition, water and land rights, permits and equipment
- Start-up operations and maintenance
- Interest incurred during construction
- Purchase of facilities to improve service or prevent loss of service
- Other costs determined to be necessary for completion of the project
- See 7 CFR Part 1780.7 and 1780.9 for a complete list

### What is the loan term and rate?

The loan term is up to a 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served. Contact us for details and current interest rates applicable for your project.

## Are there additional requirements?

- Borrowers must have the legal authority to construct, operate and maintain the proposed services or facilities.
- All facilities receiving federal financing must be used for a public purpose.
- Partnerships with other federal, state, local, private and nonprofit entities that offer financial assistance are encouraged.
- Projects must be financially sustainable.

## How do we get started?

Applications are accepted year round and may be filed electronically using [RD Apply](#). The RD Apply Customer Help Guide is provided to help you get started and work through the application process. Applications are also accepted through your [local RD office](#). Program resources are available online (i.e., forms, guidance, certifications, etc.).

## Who can answer questions?

Contact the local representative who serves your area. Participating nonprofits in your area may also offer assistance and training.

## What governs this program?

- Basic Program – [7 CFR, Part 1780](#)
- Loan Servicing – [7 CFR, Part 1782](#)
- Section 306 of the Consolidated Farm and Rural Development Act

## Why does USDA Rural Development do this?

This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses. Good practices can save tax dollars, improve the natural environment, and help manufacturers and businesses to locate or expand operations.

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**NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “*What Governs This Program?*” You may also contact [your local office](#) for assistance. You will find additional forms, resources, and program information at [rd.usda.gov](#). *USDA is an equal opportunity provider, employer, and lender.***