

# Rural Development

## Creating New Opportunity for Rural America

Rural America abounds with promise. USDA Rural Development is helping fulfill the promise and overcome the problems of the nation's rural heartland. Rural Development was created in 1994 when rural economic and community development programs that had been splintered among various USDA agencies were forged into a new mission area. With this action, the Farmers Home Administration, Rural Development Administration, Rural Electrification Administration and Agricultural Cooperative Service passed into history, but their tradition of service to America is being carried on by USDA Rural Development.

### *How USDA Helps Rural Americans*

In thousands of communities across the nation, rural people are struggling to pump new life into economies locked into a downward spiral of job losses, out-migration and diminishing services. To reverse this trend, USDA Rural Development is forging new partnerships with rural communities, funding projects that bring housing, community facilities, utilities and other services to rural areas. USDA also provides technical assistance and financial backing for rural businesses and cooperatives to create quality jobs in rural areas.

The stakes in this battle are high. More than 53 million people live in rural America, nearly 16 percent of whom earn wages below the Federal poverty level. There are 2.5 million substandard housing units in rural areas, compared to 2.4 million in cities and 1.2 million in suburbs. More than 418,000 rural households still lack running water.

Each year, USDA Rural Development programs create or preserve tens of thousands of rural jobs and create or improve more than 65,000 units of quality rural housing. To multiply the impact of its programs, USDA Rural Development is working with State, local and Indian tribal governments, as well as private and nonprofit organizations and user-owned cooperatives.

Rural Development programs are administered through three services: the Rural Utilities Service (RUS), the Rural Business-Cooperative Service (RBS) and the Rural Housing Service (RHS). Programs and services are provided through USDA Rural Development's network of State and local offices. Following are overviews of each of the three Rural Development services and their primary program areas.

#### **Rural Housing Service (RHS)**

Decent, affordable housing is indispensable to vibrant rural communities. RHS programs help finance new or improved housing for over 65,000 moderate-, low- and very-low-income families each year. No rural community can thrive without adequate community facilities, so RHS programs also help rural communities finance, construct, enlarge or improve fire stations, libraries, hospitals and medical clinics, industrial parks, and other community facilities.

Major RHS loan programs include: Home Ownership Loans, which help low-to moderate-income households purchase, construct, repair, or relocate homes; Home Improvement and Repair Loans and Grants, which enable very-low-income rural homeowners to remove health and safety hazards from their homes and to make homes accessible for people with disabilities; Self-Help Housing Loans, which enable groups of six to ten low-income families to build their own homes by providing materials and the skilled labor they cannot furnish themselves; Rural Rental Housing Loans, which finance construction of rental housing for low- and moderate-income individuals and families and cooperative housing for elderly or disabled persons; Rental Assistance, which enables low-income tenants to pay no more than 30 percent of their income for rent; and Community Facilities Direct Loans, Loan Guarantees and Grants, which help construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and towns.

#### **Rural Utilities Service (RUS)**

The Rural Utilities Service helps to improve the quality of life in rural America through a variety of loan and grant programs for electric energy, telecommunications and water and waste disposal projects. RUS programs leverage scarce Federal funds with private capital for investing in rural infrastructure, technology and development of human resources.

RUS electric and telecommunications programs provide financial aid through direct and guaranteed loans and through grants for distance learning and telemedicine programs.

The distance learning and telemedicine program of RUS is helping to develop the Information Superhighway in rural America. Since 1993, RUS has provided funds for 385 projects totaling \$94 million in grants and \$12 million in loans for rural schools, hospitals and medical clinics in 44 States and two U.S. territories. These grants jump-start the

development and deployment of advanced telecommunications services throughout rural America, bringing the latest information and care to rural education and health service providers.

RUS loans and grants help develop water and waste disposal systems (including solid waste disposal and storm drainage) in rural areas and towns with a population of 10,000 or less. Grants also provide technical assistance and training, solid waste management and emergency water assistance. The RUS on-site technical assistance program helps to ensure the cost-effective operation of rural water systems.

By providing infrastructure for rural areas, RUS is helping residents gain access to new and advanced services and job opportunities. By stimulating local economies, RUS is helping give rural residents an opportunity to compete regionally, nationally and globally.

### **Rural Business–Cooperative Service (RBS)**

Promoting a dynamic business environment in rural America is the goal of the Rural Business–Cooperative Service. RBS works in partnership with the private sector and community-based organizations to provide financial assistance and business planning. It also provides technical assistance to rural businesses and cooperatives, conducts research into rural economic issues, and provides cooperative educational materials to the public.

RBS Business Programs help fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of RBS are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes and private companies. RBS Business Programs include Business and Industry (B&I) Guaranteed Loans, B&I Direct Loans, Intermediary Relending Program Loans, Rural Business Enterprise Grants, Rural Economic Development Loans and Grants, Rural Business Opportunity Grants, and Rural Cooperative Development Grants.

The RBS Cooperative Services program helps rural residents form new cooperative businesses and improve the operations of existing cooperatives (user-owned businesses). To accomplish this, Cooperative Services provides technical assistance to cooperatives, conducts cooperative-related research, and produces educational materials that promote public understanding of cooperatives.

Other Rural Development program areas include:

**Office of Community Development** — The Office of Community Development administers the Empowerment Zones and Enterprise Communities (EZ/EC) program, to provide economically depressed rural areas and communities with real opportunities for growth and revitalization. Its mission: to create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented by alliances among private, public, and nonprofit entities.

**1890, 1862 and 1994 Land-Grant Institutions** — This initiative is a cooperative effort between USDA and historically black land-grant universities to develop income-producing projects for underdeveloped rural communities.

For more information, contact your nearest USDA Rural Development State or local office:

Or you may contact the National Office of USDA Rural Development at (202) 720-4323. FAX: (202) 690-0311. Write: USDA Rural Development, Stop 0705, 1400 Independence Ave. SW, Washington D.C. 20250-0705.

Website: <http://www.rurdev.usda.gov>

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PA 1550

Updated March 2001