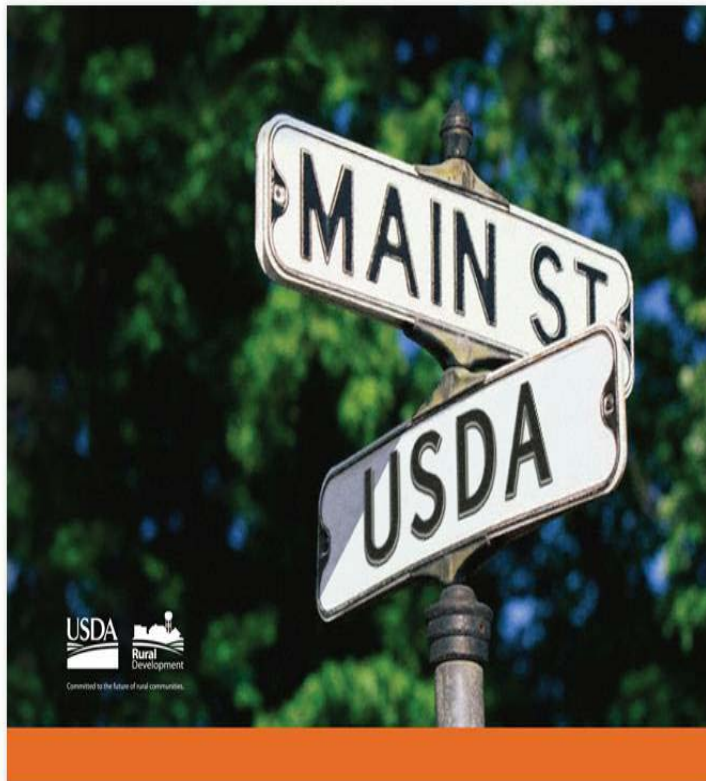


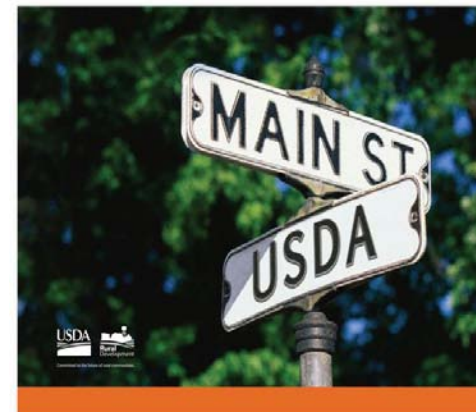
# USDA Rural Development



**COMMITTED  
TO THE  
FUTURE OF  
RURAL  
COMMUNITIES**

# USDA Rural Development's Mission

- Increase economic opportunity
- Create and maintain jobs
- Enhance quality of life in our rural communities



# Building Your Community From the Ground Up

- **Business** –growth and establishment of local businesses and cooperatives
- **Community Facilities** – programs and technical assistance for schools, health clinics and emergency response facilities
- **Utilities** – assisting rural communities to improve water, energy, telecommunications and broadband services
- **Housing** –homeownership and development of affordable rental housing

# Impact of Nebraska Rural Development

**\$381 Million Delivered in Fiscal Year 2010:**

- Housing Programs – \$113.2 Million
- Community Programs – \$63.9 Million
- Business Programs – \$80.5 Million
- Broadband Programs – \$11.3 Million
- Telecommunications Programs – \$112.4 Million

American Recovery and Reinvestment Act – \$191 Million delivered in Fiscal Years 2009 and 2010



# Rural Development

## Area Offices FY 2010

### Scottsbluff Area Office

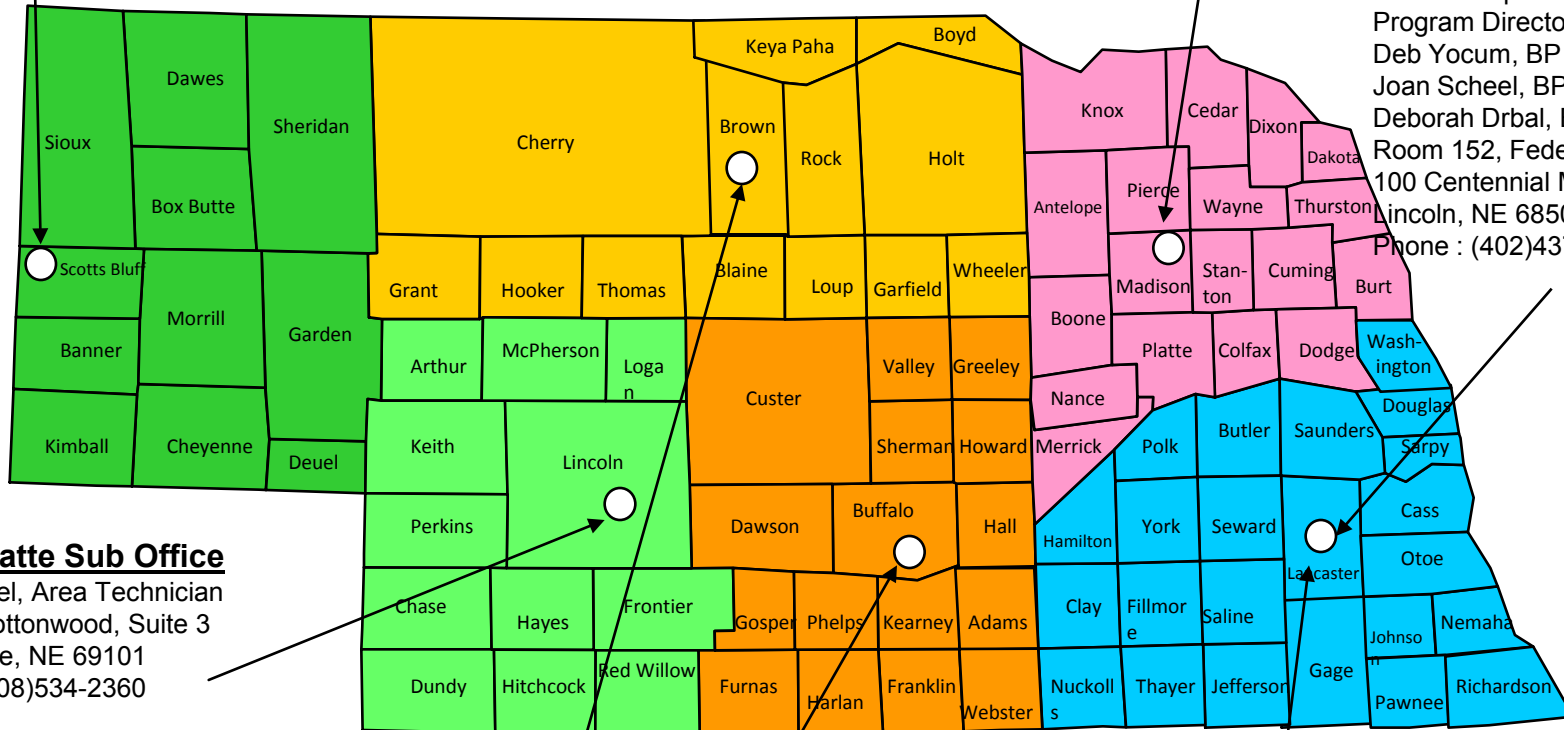
Brenda Darnell, Area Director  
 Marla Marx, Area Specialist  
 818 Ferdinand Plaza, St. B  
 Scottsbluff, NE 69361-4401  
 Phone : (308)632-2195

### Norfolk Area Office

Dale Wemhoff, Area Director  
 Korey Young, Area Specialist  
 1909 Vicki Lane, Suite 103  
 Norfolk, NE 68701  
 Phone : (402)371-5350

### State Office – Lincoln

Robin Templeton, Business  
 Program Director  
 Deb Yocum, BP Energy Coord.  
 Joan Scheel, BP Specialist  
 Deborah Drbal, B&C Specialist  
 Room 152, Federal Building  
 Lincoln, NE 68508  
 Phone : (402)437-5559



### North Platte Sub Office

Lory Cappel, Area Technician  
 1202 S. Cottonwood, Suite 3  
 North Platte, NE 69101  
 Phone : (308)534-2360

### Ainsworth Area Sub Office

Mary Gambill, Area Specialist  
 731 E. 4th  
 Ainsworth, NE 69210  
 Phone : (402) 387-2242

### Kearney Area Office

Paul Bartlett, Area Director  
 Kelley Messenger, Area Specialist  
 4009 6th Ave, Suite 1  
 Kearney, NE 68845-2386  
 Phone : (308)237-3118

### Lincoln Area Office

Roger Meeks, Area Director  
 Jenny Nelson, Area Specialist  
 8000 S 15th Street, St. E  
 Lincoln, NE 68512-9436  
 Phone : (402)423-9683

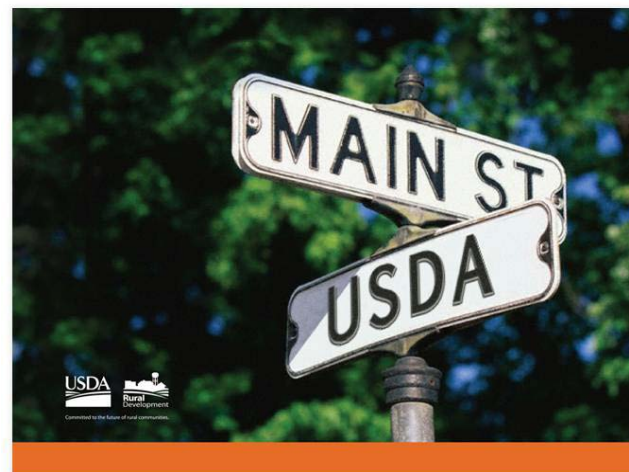


# Benefits of Rural Development Guarantees

- Guarantee authority up to \$25 million
- Guarantee percentages up to 90%
- Affordable guarantee fee of 1-3.5%
- Some programs have minimal annual renewal/servicing fees
- Customary origination and servicing fees allowed
- Premium returns from secondary market

# USDA Rural Development

## The Guaranteed Programs



# The Programs – Business & Industry (B&I)

<b>% of Loan Guaranteed</b>	Up to 80%
<b>Loan Amounts</b>	Up to \$25 million
<b>Loan Terms</b>	Real Estate – 30; Machinery & Equipment – 15; Term Working Capital – 7
<b>Fees</b>	One-time guarantee fee of 2% (1% in special cases) Annual renewal fee of 0.25% on outstanding balance
<b>Loan Uses</b>	New construction, equipment, expansion, working capital and debt restructuring
<b>Borrower Types</b>	New or existing businesses. Business does not have to be headquartered in the rural community, just conducting business there.
<b>Community size</b>	Population up to 50,000



# Business & Industry Success Story

## Preferred Sands of Genoa



- Sand (Frac) manufacturing
- \$22 million guarantee allowed bank to refinance the deal with a 60% guarantee (ARRA funds)
- Retention of 50 employees; plans for 50 more

# The Programs – Energy

<b>% of Loan Guaranteed</b>	Up to 85% Guaranteed portion up to 75% of total eligible project costs
<b>Loan Amounts</b>	Minimum: \$5,000. Maximum: \$25 million
<b>Grant Amounts</b>	Efficiency projects \$1,500 to \$250,000; up to 25% Renewable projects \$2,500 to \$500,000; up to 25%
<b>Loan Terms</b>	Real Estate – 30; Machinery & Equipment – 20; Term Working Capital – 7
<b>Fees</b>	One-time guarantee fee of 1%. Annual renewal fee of 0.25% on outstanding balance
<b>Loan Uses</b>	Purchase and installation of renewable energy systems or improvements in energy efficiency
<b>Borrower Types</b>	Agricultural producers and rural small businesses
<b>Community size</b>	Population up to 50,000

# Energy Success Story

## Gary's Super Foods

- Energy efficiency improvements
- Installed a heat reclaim system to capture the heat from the store's refrigeration units and redistributes the heat through duct work to heat the building.

*“The new store is 18,000 square feet and the utility bills are one-half of the costs of our store in Hershey which is 7,000 square feet. With savings like these you can't afford not to make the improvements.”*

*– Gary Suhr, Gary's Super Foods*



# EQIP

## Environmental Quality Incentives Program Pumping Plant Irrigation Modification (533)

**Includes the testing and modification of existing active wells or replacement of existing, active wells when done in conjunction with an irrigation conversion practice to ensure that energy and water savings are realized when pivot conversions are made. This includes the testing of the existing well, repairs to the innercolumn of the well and rebowling.**

**2011 Practice Payment rate is \$6336.75**



# Wind Turbines

- Two 20-kilowatt wind turbines were erected near Hay Springs
- Turbines are used to offset the cost of electricity for center pivot irrigation





# The Programs – Community Facilities (CF)

<b>% of Loan Guaranteed</b>	Up to 90%
<b>Loan Amounts</b>	Based on project; no maximum; the amount is based on project feasibility, reasonable project costs & cash flow
<b>Loan Terms</b>	Limited to useful life of security; maximum 40 years
<b>Fees</b>	1% of guarantee; no renewal fee
<b>Loan Uses</b>	Land acquisition, construction, expansion or improvement, equipment, fixtures, legal and other professional fees
<b>Borrower Types</b>	Public bodies, not-for-profit organizations and Indian tribes
<b>Community size</b>	Population up to 20,000

# Community Facility Success

## Chadron Community Hospital

- Chadron Community Hospital outgrew existing facility
- Community Facilities guaranteed loan and direct loan towards project totaling nearly \$21 million
- Built 94,000 square foot, 25 bed replacement Critical Access Hospital
- Private rooms
- Expanded outpatient area
- Specialty clinics
- New physicians clinic
- Employs 235



# The Programs – Home Ownership

<b>% of Loan Guaranteed</b>	90% Guarantee
<b>Loan Amounts</b>	There is no maximum mortgage or loan limits 100% financing, No PMI
<b>Loan Terms</b>	30 years, fixed rate
<b>Fees</b>	One-time guarantee fee of 3.5%
<b>Loan Uses</b>	Construct new (stick built, modular or manufactured) or the purchase an existing single family home, including modular homes. Funds for repairs can be included with the purchase of an existing home.
<b>Borrower Types</b>	Individuals and households
<b>Community size</b>	Populations up to 20,000 and Norfolk & Columbus



# Home Ownership Success Story

## Pappas Addition Partnership, Gering

### The Need:

- City of Gering had desire and need for housing
- Magnolia Homes had fewer modular housing orders
- Area families looking to buy a home

### The Partners:

- Twin Cities Development purchased 13 lots
- TCD sold 6 lots to Magnolia Homes, who leveraged a loan from the City of Gering to construct the homes
- PV Mortgage and Valley Bank obtained RD guarantees

### The Results:

- Four new homeowners
- Gering gained additional housing, increased their tax base, and helped local business



# The Programs – Rental Housing

<b>% of Loan Guaranteed</b>	Up to 90%.
<b>Loan Amounts</b>	No maximum or minimum loan amounts
<b>Loan Terms</b>	Minimum 25 years; maximum 40 years; max 40 year amort. 90% LTV for profit and 97% for non-profits
<b>Loan Uses</b>	New construction or purchase of existing building with rehab needs; rehab for existing RD properties
<b>Borrower Types</b>	Individuals, partnerships, non-profit and for-profit corporations, and limited liability companies
<b>Community size</b>	Populations up to 20,000 and Norfolk and Columbus

# Rural Rental Housing Success

## Kelley Creek Apartments, McCook

- 24 units
- Assist low and moderate income families
- Total project costs, \$1.8MM
  - Guarantee of tax exempt bonds \$928M
  - DED - Trust \$459M
  - Tax Credits \$260M
  - Owner \$140M



# Meeting Your Needs!

- Quick approval turnaround
- High loan limits
- Local customer service

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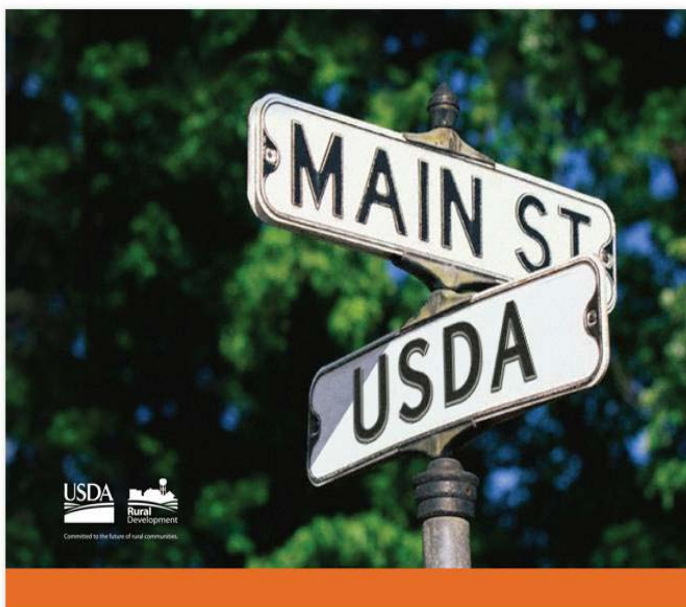


# USDA

## Rural Development

Thank You!

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



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USDA Rural Development is an Equal Opportunity lender, Provider and Employer.  
Complaints of discrimination should be sent to USDA, Director, OCR, Washington, DC 20250-9410

