

COMMUNITY FACILITY PROGRAM (CF)

Purpose:

To construct, enlarge, extend or otherwise improve essential community facilities providing essential service primarily to rural residents.

Types of Assistance:

Rural Development (RD) provides loans and grants under the Community Facilities Program (CF) to eligible applicants. RD also guarantees CF loans made by other lenders.

RD may guarantee up to 90 percent of loss of principal and interest on a loan. Normally guarantees will not exceed 80 percent unless extraordinary circumstances exist.

Possible Loan Purposes:

The Community Facilities Program provides funds to organizations that provide essential community services that are needed for the orderly development in rural areas such as transportation and cultural, health, safety or social facilities.

Some examples of eligible projects are:

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|---------------------------|-------------------------------|
| 1) Community Center | 6) Town Halls |
| 2) Educational Facilities | 7) Correctional Facilities |
| 3) Hospital | 8) Libraries |
| 4) Nursing Home | 9) Fire and Rescue Facilities |
| 5) Day Care Center | 10) Transportation |

Funds guaranteed under this program may be used to construct, enlarge or improve essential community facilities. This can include costs to acquire interest in lands, leases, and rights-of-way necessary to develop the facility. Funds can also be used for necessary equipment for the operation of the facility.

Eligibility Requirements:

Eligible applicants include non-profit organizations or associations, community, Indian tribes, towns, counties, districts, authorities or other political subdivisions of the state.

- Projects must be located in rural areas and towns of a population of 20,000 or less.
- Be unable to obtain needed funds from other sources at reasonable rates and terms.
- Have legal authority to borrow and repay loans, to pledge security for loans, and to construct, operate, and maintain the facilities or services.
- Be financially sound, and be able to organize and manage the facility effectively.

Ineligible:

Loans and Guarantees cannot be issued for:

- 1.) On-site utility systems or business and industrial buildings in connection with an industrial site.
- 2.) Facilities primarily for recreational purposes, Guarantees only can be used for this.
- 3.) Community antenna services or facilities.
- 4.) Certain electrical generation, transmission or telephone systems.
- 5.) Facilities that are not modest in size, design or cost.
- 6.) Loan finders fees.

In addition, Guarantees cannot be issued for tax-exempt notes or bonds.

An Eligible Lender:

Eligible lenders are those lenders who are subject to credit examination by either Federal or State Agency. These may include:

- A bank or saving and loan.
- A mortgage company that is part of a bank holding company.
- A farm credit bank of the Federal Land Bank Association.
- An insurance company regulated by the National Association of Insurance Commissioners.
- Others as approved by the Rural Development Director.

Additional Information:

To obtain more detailed information, contact the Area Specialist that covers the county in which your project will be located.

- New Castle, Kent, Sussex, Worcester, Somerset

Lisa Fabian Fitzgerald, 21315 Berlin Road, Unit 2, Georgetown, DE 19947
(302) 856-3990 x5
- Wicomico, Dorchester, Talbot, Caroline, Queen Anne's, Kent, Cecil

Brandi Burwell, 640 Legion Road, Suite 1, Denton, MD 21629
(410) 479-1202 x118
- Garrett, Allegany, Washington, Frederick, Harford, Baltimore, Howard, Anne Arundel, Prince George's, Calvert, Charles, St. Mary's, Montgomery, Carroll, Washington, DC

Roberta Adams, 65 Duke Street, P.O. Box 489, Prince Frederick, MD 20678
(410) 535-1521 x108
- State Office - Business and Community Programs Director

1221 College Park Drive, Suite 200, Dover, DE 19904-8713
(302) 857-3625 Fax: (302) 857-3635 TTY: (302) 857-3585

Web Site: <http://www.rurdev.usda.gov/>

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To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights,
1400 Independence Avenue, SW, Washington, DC 20250-9410,
or call (800) 795-3272 (voice), or (202) 720-6382 (TDD)