

Water & Waste Disposal Loan & Grant Program

What does this program do?

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 that 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 fewer than 10,000 people (check eligible addresses)
- Tribal lands in rural areas
- Colonias

What kinds of funding are available?

Long-term, low-interest loans. If funds are available, grants 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 existing facilities to improve service or prevent loss of service
- Other costs determined to be necessary for completion of the project

For a complete list, see 7 CFR Part 1780.7 and 1780.9

What is the loan term and rate?

Up to 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



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How do we get started?

Applications for this program are accepted through your **local office** year round. 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
- This program is authorized by Section 306 of the Consolidated Farm and Rural Development Act (CONACT)

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.

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

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