

UNITED STATES DEPARTMENT OF AGRICULTURE-RURAL DEVELOPMENT WATER AND ENVIRONMENTAL PROGRAMS (WEP)

Purpose

USDA Rural Development (RD) makes direct loans and grants to build or improve essential public use facilities such as water and sewer facilities, storm sewers and solid waste facilities. Funds can be used for construction and non-construction costs including land, equipment, engineering services, legal services, and interest during construction.

Eligibility

Funding may be obtained through Rural Development when the applicant is unable to secure funding from other sources at reasonable rates and terms.

Eligible applicants include: non-profit corporations, cities, towns, counties, other public bodies such as: special purpose districts and authorities. Projects may only benefit incorporated communities of up to 10,000 population and rural unincorporated areas.

The applicant must have the legal capacity to borrow and repay loans, to pledge security for loans and to operate and maintain the facilities. The applicant must be financially sound and able to manage the facility effectively as well as have a financially sound facility based upon satisfactory sources of income such as: revenues, taxes, assessments, or fees to pay all operating costs, debt service payments and reserves.

Maximum Loan, Rates, and Terms

The amount loaned is determined by the amount needed by the applicant, their ability to repay the loan and the availability of funds. Interest rates are based upon the median household income of the service area and the purpose of the project. Interest rates as of July 1, 2018 are: **Poverty – 2.375% Intermediate – 3.125% and Market – 3.875%**. Once a project is approved and obligated the interest rate is fixed and there are no prepayment penalties. The loan term is typically set at 40 years or the useful life of the facility, whichever is less.

Grants

Grant funding is available, when eligible and needed, and is used to supplement RD loans to reduce debt service requirements where necessary to achieve reasonable similar system user rates. Grant eligibility is also based on the available resources of the applicant, as well as the Underwriting analysis and the availability of funds. Areas with median household incomes above \$40,956 are not grant eligible. The maximum RD grant possible is 75% of eligible project costs where the median household income of the project service area is below \$32,765 and the project is necessary to alleviate a health or sanitary problem, or 45% of eligible project costs where the median household income is \$40,956 or less.

Note: Rural Development WEP information, Regulations, Bulletins and Forms can be accessed at <https://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program> and some forms are also available in a fillable format through the USDA eForms link at www.rd.usda.gov and information about Rural Development Programs in Arkansas can be found at <http://www.rd.usda.gov/ar>

USDA is an equal opportunity provider, employer and lender.

Engineering and Environmental Requirements

The applicant must utilize the services of an engineer and an attorney to provide necessary engineering and legal services. A Preliminary Engineering Report (PER) and an Environmental Report (ER) must be submitted in accordance with the RD Guides for the proposed project.

Priority

Priority is given to low income communities, communities with populations of less than 5,500 and for projects necessary to meet established health or sanitary standards.

Application – Applications are received year-round through RD's online application system - RD Apply: <https://www.rd.usda.gov/programs-services/rd-apply>
Some of the Application items consist of:

1. SF424, Application for Federal Financial Assistance
2. State of Arkansas Clearinghouse comments
3. Data Universal Numbering System (DUNS)-Number 866-705-5711 or www.dnb.com/us/duns_update/index.html
4. System for Award Management Registration (SAM) www.sam.gov
5. Current and past Financial Statements
6. Certification of Inability to obtain credit elsewhere
7. Publication of Notice of Intent to file Application /Notice of Public Hearing with Public Hearing Minutes
8. Preliminary Engineering Report (PER)
9. Environmental Report (ER)
10. Water and Wastewater Advisory Committee-Approval
11. ANRC Water Plan Compliance-Approval

Contact

Information on the WEP program and how to apply may be obtained from one of the following RD Area Offices:

- *Neal Hodges, Area 1
Harrison, AR 870-741-8600 Ext. 4
- *Neal Hodges, Area 2 (Interim Basis)
Jonesboro, AR 870-741-8600 Ext. 4
- *Betty Searcy or Flora Pruitt, Area 3
Forrest City, AR 870-633-3055 Ext. 4
- *Keith Huskey, Area 4 (Interim Basis)
Monticello, AR 870-777-8800 Ext. 4
- *Keith Huskey, Area 5
Hope, AR 870-777-8800 Ext. 4
- *Jamie Scott, Area 6
Fort Smith, AR 479-646-8300 Ext. 4

*or contact the RD State Office in Little Rock:
Phone: (501) 301-3265 FAX: (501) 301-3293
Lauren Chambers, Program Engineer
David Kirchner, Program Specialist
Stephen Lagasse, Program Director

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