

USDA RURAL DEVELOPMENT

Community Facility Direct Loan

USDA Rural Development can make direct loans to develop and improve essential public community facilities located in rural areas of up to 20,000 in population. Funds can be used for equipment to be purchased and for facility construction or improvements for projects that have not already been started.

Types of Projects Financed:

Health Care – hospital, medical clinic, mental health facility, nursing home, assisted living facility

Public Safety – detention facility, 911 communication center, police and fire station and equipment

Public Services – courthouse, city hall, adult and child developmental centers, child day care center, senior center, community center, transitional home, charter school, library, museum, food pantry, farmer's market, animal shelter, airport, streets, bridges, drainage

Who May Apply?

Eligible entities are limited to: public bodies such as a city, town, county, public facility board, special-purpose district or other political subdivision of a State, Federally recognized Tribe, or a qualified nonprofit organization.

Applicants must:

Be unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms;

Have the legal authority to own, construct, operate, and maintain the proposed facility;

Provide for public facilities needed for orderly community development and operated on a nonprofit basis

Nonprofit organizations must demonstrate significant ties to the local community to ensure that the facility will carry out a public purpose and continue to primarily serve rural areas. Nonprofit organizations must be able to document significant local support for the project in the form of actual dollars being contributed towards the project and must also be able to provide letters of support from each government body that would be affected by the proposed project. In addition, the nonprofit organization must have successful experience operating and managing a similar facility with successful financial history.

USDA is an equal opportunity provider, employer, and lender.

What are the Interest Rates and Terms?

The interest rate is a fixed rate for the term of the loan. The maximum term on all loans is 40 years. However, the repayment period is limited to the useful life of the facility or equipment or any statutory limitation on the applicant's borrowing ability.

Interest rate as of April 1, 2023: 3.75%

The above interest rates are subject to change each quarter

What Security is required?

All loans will be secured to protect the interest of the Government. Each applicant must satisfactorily document that the project will be financially feasible with adequate security. Bonds or notes pledging taxes, assessments, or revenues will be accepted as security if they meet statutory requirements. Where State law permits, a mortgage, security agreement and financing statement will also be taken on real and personal property serving as security.

Where is the Application package obtained and filed?

Contact the Rural Development Area Office serving your community:

Harrison Area office at 870-741-8600 Extension 126 – Jennifer.Embach@usda.gov

Jonesboro Area Office at 870-819-4583 – Tammy.Moser@usda.gov

Forrest City Area Office at 870-581-4383 - Betty.Searcy@usda.gov

or 870-581-4369 – Flora.Pruitt@usda.gov

Monticello Area Office at 870-727-6142 – Marisa.Harris@usda.gov

or 870-224-7297 - Michael.Montgomery@usda.gov

Hope Area Office at 870-474-3275 – Kelly.Honea@usda.gov

Fort Smith Area Office at 870-741-8600 Extension 102 – Matthew.Hudson@usda.gov

If you have any questions you may also contact Richard.maurer@usda.gov, David.Kirchner@usda.gov or Tim.Smith3@usda.gov in the State Office.

Additional information on USDA Rural Development programs and related forms can be obtained at the following website: www.rd.usda.gov

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.