



An FDPIR Resource: USDA Rural Development Community Facilities Direct Loan & Grant Program



What is the USDA Rural Development Community Facilities Direct Loan & Grant Program?

This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility provides a service to the local community in a primarily rural area and does not conduct private or commercial activities. The facilities must serve the rural area where they are located and the funded projects must have substantial community support. Applications for these funding opportunities are accepted year round.

Two available funding types are:

1. **Direct Loans** – Low interest, fixed rate loans
2. **Grants** – Partial project funding, no repayment required

What can my Tribe do with a Community Facilities Direct Loan or Grant, if approved?

Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses for programs such as FDPIR. Direct Loans and Grants can also be combined to fully fund a particular project. Here are a few examples of potential projects:

- **Direct Loans** – Direct loans can be used to fund larger projects such as a warehouse purchase, expansion, repair, or upgrade.
- **Grants** – Grants can be used to fund smaller purchases, likely not larger than \$50,000, such as a delivery truck, forklift, pallet jack, computer, or cooler/freezer.

Does my Tribe qualify for a Community Facilities Direct Loan or Grant?

Federally recognized Tribes must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms. Tribes must also be located in rural areas with no more than 20,000 residents according to the latest U.S. Census data (www.census.gov) to be eligible for this program. **Note:** The project must be physically located in an eligible rural area. A community/Tribe within the project service area may exceed the 20,000 population cap if it can be demonstrated that at least 51 percent of the population served by the project lives in an eligible rural area.

Funding consideration is typically based on two factors:

- 1. The availability of funds** – Each State Rural Development office receives an annual allocation of Community Facilities Grant funds, so opportunities are limited in each State and funding can be competitive. Direct loans, on the other hand, are more readily available and the opportunities for award are less competitive and more abundant.
- 2. The size and median income of your community (grants only)** – Community Facilities Grant funding is based on a graduated scale, with smaller communities with the lowest median household income being eligible for a higher proportion of funds. Direct loan funding does not depend on this scale.

How should my Tribe get started?

- 1. Reach out to your Rural Development field office and discuss the project(s) you wish to fund.** Your field office Community Programs Specialist can keep you up to date on current funding availability in your State and guide you through the application process. A list of State Rural Development offices and contact information can be found at <http://www.rd.usda.gov/contact-us/state-offices>. Ask for a Community Facilities Specialist.
- 2. If you are applying for a grant, you will need to secure additional funds.** Community Facilities Grants will fund between 15 and 75 percent of overall project costs, depending on the size and median income of your area. Your Tribe will need a source for the remaining funds to ensure the project is fully funded, such as a nonprofit grant, Federal program administrative funds, a Community Facilities Direct Loan, or your Tribe's operational budget. More information about how the funding percentages are determined can be found <http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>.
- 3. Request a Data Universal Number System (DUNS) number** if your Tribe doesn't already have one. It should not take more than a few business days to get your number. Go to <http://fedgov.dnb.com/webform>.
- 4. Register your Tribe with the System for Award Management (SAM)** if you are not already registered. The registration is free. Go to <http://www.sam.gov/portal/public/SAM/>.
- 5. Prepare and submit your application** with help from your field office Community Facilities Specialist.

Where can I find more information?

- A list of State Rural Development offices and contact information can be found at <http://www.rd.usda.gov/contact-us/state-offices>. Ask for a Community Facilities Specialist.
- More detailed information about the Community Facilities Direct Loan and Grant Program can be found at <http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>.
- Federal regulations governing this program can be found at [7 CFR Part 1942, Subpart A](#), and [7 CFR Part 3570, Subpart A](#).