



USDA Loan and Grant Funding for Small Community Wastewater Projects

Rural Utilities Service

In the United States Department of Agriculture, Rural Development administers financial and technical assistance programs to help rural communities develop safe and affordable sewage treatment and waste disposal systems. The programs that target wastewater treatment needs are run by the Water Programs Division of the Rural Utilities Service (RUS). The Water and Waste Disposal Loans and Grants Program provides loans, guaranteed loans, and grants for water, sewer, storm water, and solid waste disposal facilities.

Public bodies (e.g., municipalities, counties, Indian Tribes, nonprofit organizations) serving rural areas may be eligible for loans or grants from the water and waste disposal program. The program makes assistance available only to rural areas with 10,000 or fewer people.

Did you know . . . ?

- RUS funding (including jointly funded projects) between 1992 and 1998 totals over \$3.7 billion.
- Between 1992 and 1998, all 50 states plus Puerto Rico received some form of RUS funding, either through a loan, grant or a combination of loans/grants.
- Florida had the greatest number of sewer users (73,487) served by wastewater projects, followed by Pennsylvania and Delaware, between 1992 and 1998.

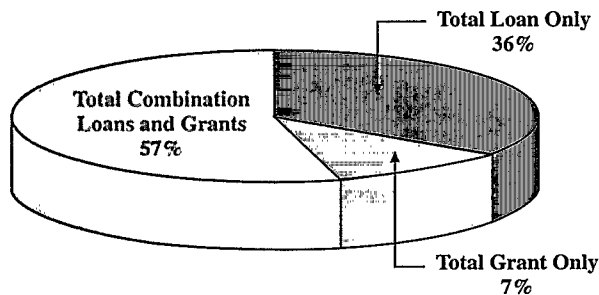
Rural Development maintains records on small communities that are seeking assistance, or that have already received assistance, from the Agency for wastewater treatment or disposal needs. Rural Development may use information from preapplications/applications, loans, grants, guarantees and borrowers' records to aid in program management decisions. The information is also available for Congressional activities.

The following pages provide general information about the RUS's Water and Waste Disposal Loans and Grants Program. Grant and loan information for 1992 through 1998 were extracted from RUS' database and are presented in **Table 1**.

Water and Waste Disposal Loans and Grants

Small communities with wastewater treatment or disposal needs can apply for loans and grants to construct, repair or modify waste collection and waste disposal facilities. To receive loans small communities must show that they (1) can't get funds at reasonable rates from commercial sources, (2) have the capacity to borrow and repay loans, and pledge security, and (3) can operate and maintain the affected facilities. Depending on the economic status of the service area, borrowers may receive one of three interest rates: the poverty rate (median household income is below poverty or below 80 percent of the statewide metropolitan median and the project is necessary to meet applicable health or sanitary standards), market rate (where median household income exceeds the statewide nonmetropolitan household income), or the intermediate rate.

Figure 1. RUS Assistance Used for Wastewater Treatment



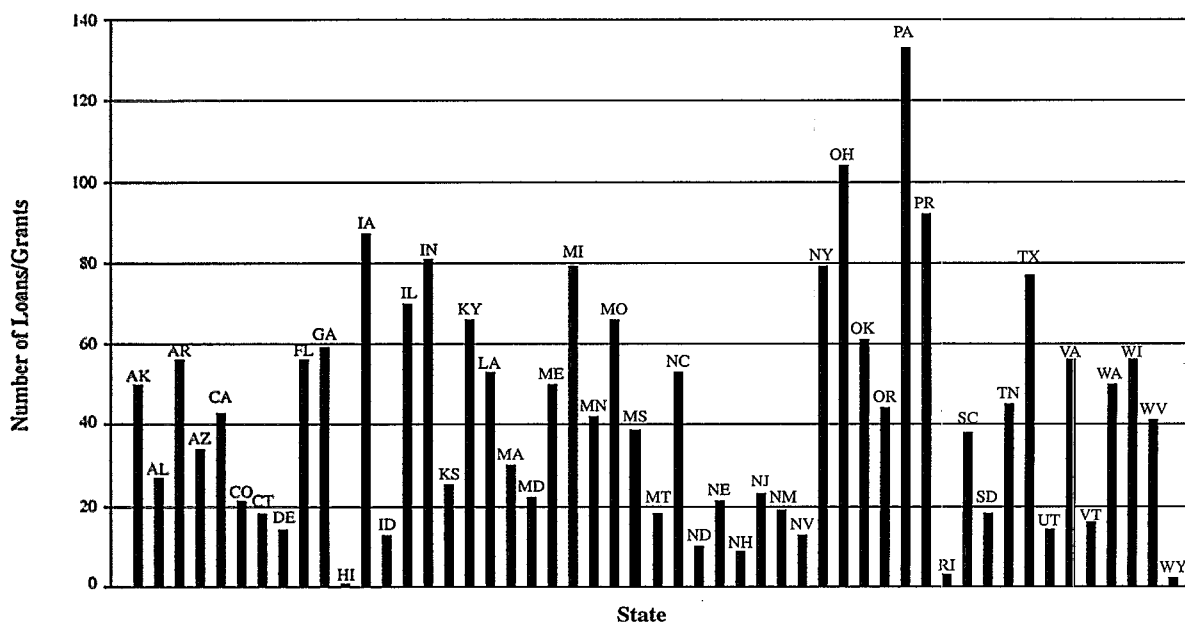
Total RUS program funding available through direct loans was over \$691 million in fiscal year 1998 compared to approximately \$739.5 million in fiscal year 1997. Funding for guaranteed loans amounted to \$75 million in fiscal years 1997 and 1998. Funding for grants increased from \$500.2 million in fiscal year 1997 to nearly \$509.8 million in fiscal year 1998.

Between 1992 and 1998, nearly 1 million (958,221) sewer users were served by grant-and/or loan-funded wastewater projects. Over the same time period small communities used a total

of 2,197 RUS loans and grants for wastewater projects. Small community projects have been funded though loans, grants, or a combination of loans and grants. **Figure 1** shows the relationship between the use of loans and grants to fund community wastewater projects. Over half of the projects funded by the Water and Waste Disposal Loans and Grants Program between 1992 and 1998 were funded by a combination of loans and grants. More than a third of the projects were funded by loans only. Only 11 percent of the projects were funded by grants only. It should be noted that the authorizing statute limits RUS grant funds to a maximum of 75 percent of eligible project cost.

Figure 2 shows the nationwide distribution of the \$2.8 billion in USDA loans and grants for wastewater projects. Pennsylvania got the highest number of USDA wastewater loans and grants between 1992 and 1998 with 133 total loans and grants. Most states obtained significantly fewer. The median number of loans and grants combined per state is 42.

Figure 2. Distribution of Loans/Grants for Wastewater Nationwide (1992-1998)



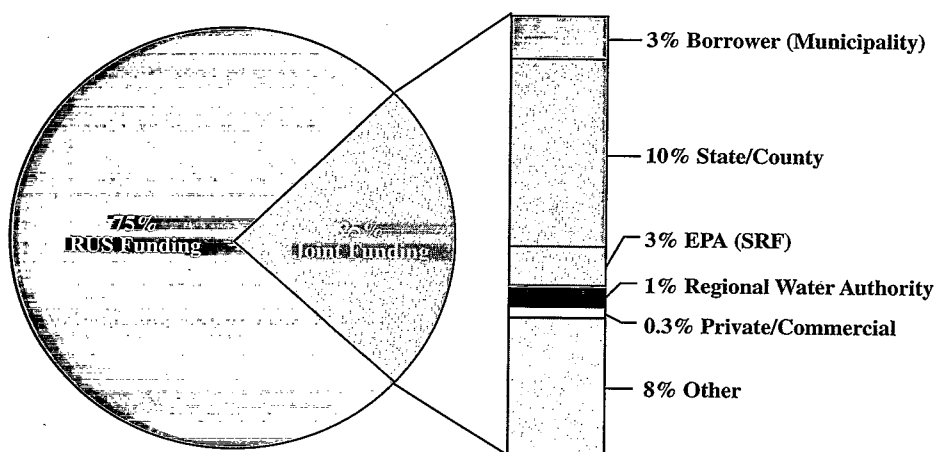
How Does RUS Funding Compare to Joint Funding Sources?

For the period from 1992 to 1998, RUS provided 75 percent of the funds used by small communities for wastewater projects. The other 25 percent was made up of joint funding. The \$3.7 billion in joint funding included money borrowed from municipalities, states/counties, EPA State Revolving Fund (SRF), Regional Water Authorities, funding from private and commercial institutions, and other miscellaneous sources. **Figure 3** indicates that 10 percent of small community wastewater funding came from states and counties. These account for nearly half of all non-RUS funding. Small communities received the fewest dollars for joint funded wastewater projects from private or commercial institutions (0.3 percent). Some small communities do not have the access to private credit markets that large communities do, so funding from these sources may be disproportionately small in this area compared to other funding sources.

How Does RUS Funding Compare to EPA Total Need?

According to the EPA 1996 Clean Water Needs Survey (CWNS), small communities will need \$13.8 billion to meet documented wastewater collection and treatment needs by the year 2016. RUS has provided approximately \$2.8 billion for small community wastewater projects in the past six years. It is important to note that this description of RUS funding includes data from a relatively brief time period from 1992 to 1998 while the CWNS provides a 20-year projection of need, so a direct comparison cannot be provided. But, it's clear that at current funding levels RUS alone will not be able to meet all small community wastewater needs by 2016. It's also clear that the RUS contribution thus far has been important and its continued support of small communities is vital, as is that of other agencies.

Figure 3. Sources of Funding for Wastewater Projects



Additional copies of this Fact Sheet may be obtained by contacting the Office of Water Resources Center in EPA at (202) 260-7786 and referring to the document number EPA 832-F-99-059. You may also visit our Website (<http://www.epa.gov/OWM/smallc.htm>) to obtain other summaries of this information. Additional information regarding the RUS may be obtained by contacting the USDA at (202) 720-9583 or visiting their Website (<http://www.usda.gov/rus>).

Table 1. United States Department of Agriculture (USDA) Rural Utilities Service (RUS) — Wastewater Assistance from 1992–1998 for Small Communities (population < 10,000)*

STATE	TOTAL POPULATION SERVED BY ALL PROJECTS (1992–1998)	TOTAL SEWER USERS SERVED BY WASTE WATER PROJECTS (1992–1998)	TOTAL NUMBER OF LOANS/ GRANTS	TYPE OF ASSISTANCE (NUMBER OF PROJECTS)			TOTAL RUS FUNDING
				Loan Only	Grant Only	Combination Loans and Grants	
AK	33,952	1,279	50	2	44	4	\$35,386,400
AL	43,305	5,848	27	9	1	17	\$23,792,700
AR	36,847	10,895	56	38	6	12	\$23,763,346
AZ	89,428	17,940	34	12	14	8	\$46,218,343
CA	88,627	29,890	43	24	4	15	\$101,575,540
CO	30,995	7,642	21	9	3	9	\$11,944,300
CT	75,961	8,931	18	12	0	6	\$25,768,290
DE	38,186	49,955	14	12	1	1	\$51,561,500
FL	172,748	73,487	56	5	8	43	\$96,983,180
GA	92,096	25,140	59	11	0	48	\$100,251,700
HI	1,634	220	1	0	0	1	\$2,362,500
IA	36,831	7,884	87	27	15	45	\$27,436,260
ID	11,736	8,402	13	7	3	3	\$10,953,700
IL	34,605	12,201	70	26	7	37	\$38,191,680
IN	96,799	24,702	81	19	7	55	\$131,686,030
KS	19,474	2,685	25	6	5	14	\$12,550,710
KY	78,233	11,922	66	15	3	48	\$45,745,500
LA	119,523	40,984	53	34	1	18	\$53,553,600
MA	82,957	11,303	30	18	1	11	\$70,630,215
MD	33,495	6,240	22	9	2	11	\$32,841,050
ME	140,922	14,392	50	25	5	20	\$43,741,950
MI	133,802	38,629	79	24	6	49	\$163,904,900
MN	39,774	14,046	42	15	2	25	\$35,664,020
MO	33,032	12,736	66	12	4	50	\$45,499,620
MS	94,843	24,100	39	11	1	27	\$40,540,800
MT	14,407	3,582	18	3	0	15	\$19,415,400
NC	77,488	24,471	53	17	4	32	\$90,785,499
ND	16,118	994	10	3	4	3	\$2,841,400
NE	23,655	10,955	21	3	3	15	\$11,070,700
NH	14,071	5,469	9	1	0	8	\$13,876,500
NJ	89,879	37,655	23	8	0	15	\$62,933,070
NM	36,426	4,402	19	7	8	4	\$22,966,700
NV	46,018	8,187	13	10	1	2	\$16,939,800
NY	113,146	4,112	79	42	1	36	\$67,927,673
OH	126,576	18,316	104	37	3	64	\$150,738,216
OK	88,330	35,504	61	24	2	35	\$33,244,050
OR	112,013	48,234	44	16	3	25	\$93,510,530
PA	217,893	62,109	133	54	5	74	\$298,768,600
PR	247,480	46,202	92	29	10	53	\$159,133,328
RI	4,640	194	3	0	1	2	\$682,400
SC	139,191	33,798	38	15	1	22	\$52,949,650
SD	6,983	3,031	18	10	1	7	\$6,117,370
TN	98,596	16,636	45	15	6	24	\$27,896,700
TX	117,028	33,923	77	13	31	33	\$104,170,333
UT	18,834	3,566	14	3	3	8	\$10,742,600
VA	128,480	44,184	56	23	5	28	\$103,074,265
VT	31,936	7,376	16	2	2	12	\$10,859,450
WA	62,347	15,853	50	20	1	29	\$95,190,637
WI	54,030	11,966	56	10	9	37	\$65,044,326
WV	64,159	16,033	41	11	1	29	\$43,804,500
WY	457	16	2	0	0	2	\$419,000
Totals	3,609,986	958,221	2,197	758	248	1,191	\$2,837,650,531

(continued)

Table 1. United States Department of Agriculture (USDA) Rural Utilities Service (RUS) — Wastewater Assistance from 1992–1998 for Small Communities (population < 10,000)*

STATE	JOINT PROJECT FUNDING (SOURCES OF FUNDS OTHER THAN RURAL UTILITIES)						
	Borrower (Municipality)	State/County	EPA (SRF)	Regional (Water Authority)	Private/ Commercial	Other	TOTAL JOINT FUNDING
AK	\$918,400	\$30,014,300	\$950,000		\$0	\$2,365,800	\$34,248,500
AL	\$1,186,952	\$2,710,000	\$0	\$796,735	\$0	\$4,145,905	\$8,839,592
AR	\$462,600	\$13,462,559	\$530,000		\$0	\$2,085,900	\$16,541,059
AZ	\$1,833,271	\$0	\$0		\$0	\$17,627,590	\$19,460,861
CA	\$447,169	\$13,308,532	\$0		\$0	\$388,000	\$14,143,701
CO	\$1,034,727	\$4,286,250	\$0		\$0	\$485,000	\$5,805,977
CT	\$400,000	\$2,400,000	\$905,200		\$0	\$2,815,912	\$6,521,112
DE	\$18,700	\$22,329,675	\$1,406,500		\$397,600	\$19,985,000	\$44,137,475
FL	\$2,130,600	\$8,579,700	\$0		\$6,545,150	\$3,640,000	\$20,895,450
GA	\$122,505	\$829,600	\$0	\$1,821,790	\$0	\$1,391,500	\$4,165,395
HI	\$393,750	\$393,750	\$0		\$0	\$0	\$787,500
IA	\$151,846	\$3,809,400	\$0		\$0	\$5,369,000	\$9,330,246
ID	\$947,190	\$4,191,000	\$0		\$0	\$1,000,000	\$6,138,190
IL	\$1,428,634	\$680,450	\$1,356,560		\$0	\$17,738,250	\$21,203,894
IN	\$2,154,510	\$17,552,196	\$6,165,920		\$0	\$2,120,550	\$27,993,176
KS	\$210,400	\$1,197,900	\$0		\$0	\$1,940,000	\$3,348,300
KY	\$1,927,800	\$4,130,200	\$5,454,800	\$4,991,500	\$49,000	\$18,222,800	\$34,776,100
LA	\$3,595,800	\$749,600	\$1,192,300		\$0	\$3,735,035	\$9,272,735
MA	\$2,394,600	\$1,492,000	\$787,600		\$0	\$3,070,500	\$7,744,700
MD	\$196,000	\$15,944,986	\$21,584,900		\$0	\$6,556,500	\$44,282,386
ME	\$9,683,400	\$20,428,870	\$4,582,770		\$0	\$3,847,400	\$38,542,440
MI	\$2,929,660	\$6,271,200	\$2,127,800		\$0	\$1,817,500	\$13,146,160
MN	\$461,700	\$1,681,230	\$1,061,370		\$0	\$1,457,600	\$4,661,900
MO	\$1,137,300	\$11,000,960	\$0		\$50,000	\$14,486,379	\$26,674,639
MS	\$712,000	\$780,000	\$0	\$435,000	\$285,000	\$3,854,268	\$6,066,268
MT	\$601,700	\$785,706	\$672,200		\$0	\$3,736,556	\$5,796,162
NC	\$1,847,865	\$5,011,300	\$0	\$978,000	\$0	\$2,024,000	\$9,861,165
ND	\$181,500	\$430,000	\$0		\$0	\$487,200	\$1,098,700
NE	\$210,600	\$540,000	\$282,000		\$0	\$1,332,970	\$2,365,570
NH	\$213,403	\$4,501,000	\$1,500,000		\$0	\$700,000	\$6,914,403
NJ	\$291,900	\$0	\$0		\$0	\$160,000	\$451,900
NM	\$80,000	\$1,940,096	\$1,000,000		\$0	\$1,500,000	\$4,520,096
NV	\$669,780	\$4,757,000	\$800,000		\$0	\$6,210,448	\$12,437,228
NY	\$305,000	\$7,066,500	\$4,535,000		\$0	\$9,792,900	\$21,699,400
OH	\$5,610,200	\$20,799,891	\$5,567,000	\$2,794,000	\$1,114,000	\$4,667,609	\$40,552,700
OK	\$138,495	\$1,651,955	\$649,365		\$45,000	\$4,574,250	\$7,059,065
OR	\$2,680,620	\$13,725,000	\$10,345,400	\$310,000	\$0	\$10,105,800	\$37,166,820
PA	\$23,999,421	\$5,419,557	\$10,319,100		\$50,000	\$7,983,400	\$47,771,478
PR	\$12,867,221	\$0	\$2,062,000		\$0	\$32,033,200	\$46,962,421
RI	\$149,800	\$0	\$0		\$0	\$0	\$149,800
SC	\$366,000	\$1,700,000	\$0		\$0	\$6,624,200	\$8,690,200
SD	\$180,158	\$784,000	\$254,400		\$0	\$737,500	\$1,956,058
TN	\$1,734,323	\$1,887,818	\$2,307,030	\$4,921,600	\$0	\$10,235,065	\$21,085,836
TX	\$676,460	\$2,043,300	\$0		\$252,000	\$1,768,000	\$4,739,760
UT	\$2,683,750	\$17,131,000	\$1,915,600		\$0	\$10,000	\$21,740,350
VA	\$2,040,742	\$5,295,949	\$0	\$2,500,000	\$300,000	\$10,645,600	\$20,782,291
VT	\$167,750	\$14,837,824	\$3,060,743	\$50,000	\$611,700	\$449,630	\$19,177,647
WA	\$4,550,147	\$51,456,726	\$2,845,069		\$1,269,900	\$5,008,588	\$65,130,430
WI	\$857,593	\$9,150,360	\$0		\$0	\$1,059,301	\$11,067,254
WV	\$2,754,710	\$13,100,928	\$16,627,041	\$2,459,292	\$130,000	\$19,260,062	\$54,332,033
WY	\$34,000	\$365,511	\$0		\$0	\$0	\$399,511
Totals	\$102,772,652	\$372,605,779	\$112,847,668	\$22,057,917	\$11,099,350	\$281,252,668	\$902,636,034

(continued)

Table 1. United States Department of Agriculture (USDA) Rural Utilities Service (RUS) — Wastewater Assistance from 1992–1998 for Small Communities (population < 10,000)*

STATE	RUS LOAN AND GRANT FUNDING		TOTAL RUS FUNDING PLUS JOINT FUNDING SOURCES
	Loan Amount	Grant Amount	
AK	\$4,234,500	\$31,151,900	\$69,634,900
AL	\$13,061,200	\$10,731,500	\$32,632,292
AR	\$13,838,096	\$9,925,250	\$40,304,405
AZ	\$30,336,190	\$15,882,153	\$65,679,204
CA	\$55,632,065	\$45,943,475	\$115,719,241
CO	\$7,070,300	\$4,874,000	\$17,750,277
CT	\$16,414,990	\$9,353,300	\$32,289,402
DE	\$48,357,700	\$3,203,800	\$95,698,975
FL	\$53,276,000	\$43,707,180	\$117,878,630
GA	\$49,064,446	\$51,187,254	\$104,417,095
HI	\$787,500	\$1,575,000	\$3,150,000
IA	\$10,080,300	\$17,355,960	\$36,766,506
ID	\$7,878,100	\$3,075,600	\$17,091,890
IL	\$15,806,000	\$22,385,680	\$59,395,574
IN	\$81,716,640	\$49,969,390	\$159,679,206
KS	\$7,789,800	\$4,760,910	\$15,899,010
KY	\$24,188,000	\$21,557,500	\$80,521,600
LA	\$31,077,800	\$22,475,800	\$62,826,335
MA	\$51,947,365	\$18,682,850	\$78,374,915
MD	\$18,727,150	\$14,113,900	\$77,123,436
ME	\$27,777,700	\$15,964,250	\$82,284,390
MI	\$90,473,000	\$73,431,900	\$177,051,060
MN	\$18,140,890	\$17,523,130	\$40,325,920
MO	\$20,278,200	\$25,221,420	\$72,174,259
MS	\$18,351,300	\$22,189,500	\$46,607,068
MT	\$10,209,950	\$9,205,450	\$25,211,562
NC	\$42,939,700	\$47,845,799	\$100,646,664
ND	\$1,281,900	\$1,559,500	\$3,940,100
NE	\$7,305,500	\$3,765,200	\$13,436,270
NH	\$8,473,250	\$5,403,250	\$20,790,903
NJ	\$44,653,150	\$18,279,920	\$63,384,970
NM	\$5,965,700	\$17,001,000	\$27,486,796
NV	\$13,029,000	\$3,910,800	\$29,377,028
NY	\$27,052,100	\$40,875,573	\$89,627,073
OH	\$85,589,444	\$65,148,772	\$191,290,916
OK	\$18,337,000	\$14,907,050	\$40,303,115
OR	\$60,180,200	\$33,330,330	\$130,677,350
PA	\$183,714,300	\$115,054,300	\$346,540,078
PR	\$82,882,000	\$76,251,328	\$206,095,749
RI	\$156,500	\$525,900	\$832,200
SC	\$29,155,700	\$23,793,950	\$61,639,850
SD	\$4,661,120	\$1,456,250	\$8,073,428
TN	\$16,889,700	\$11,007,000	\$48,982,536
TX	\$33,638,000	\$70,532,333	\$108,910,093
UT	\$6,626,500	\$4,116,100	\$32,482,950
VA	\$60,971,685	\$42,102,580	\$123,856,556
VT	\$6,670,150	\$4,189,300	\$30,037,097
WA	\$52,710,347	\$42,480,290	\$160,321,067
WI	\$29,039,890	\$36,004,436	\$76,111,580
WV	\$25,461,000	\$18,343,500	\$98,136,533
WY	\$195,500	\$223,500	\$818,511
Totals	\$1,574,094,518	\$1,263,556,013	\$3,740,286,565

* The table does not reflect RUS funding awarded prior to 1992.