

Annual Report North Carolina 2012



Barack Obama
President of the United States



Tom Vilsack
Secretary of Agriculture



Dallas Tonsager
Under Secretary
for USDA Rural Development

***Committed to Helping Improve the Economy
and Quality of Life in Rural America***

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LOOKING BACK ON 2012

More than \$1.6 billion was invested in FY 2012 and \$6.3 billion since FY 2009 in rural housing, rural businesses, utilities and community programs across rural North Carolina.

During 2012, over 8000 families were assisted through the Single Family Housing Program and 752 jobs were created/saved through the Business & Cooperative Programs.

These investments were made possible by the hard work and devotion of the North Carolina USDA Rural Development team. Looking ahead, we will continue to work for the good of the citizens to meet the many needs that exist across our State.

The mission of USDA Rural Development is to increase economic opportunity and improve the quality of life for all rural Americans. Rural Development Utilities Programs address the needs of rural residents for basic services such as clean running water, sewer and waste disposal, electricity, and telecommunications. Housing Programs address the need for single-family, multi-family and farm labor housing. Community Facilities Programs help rural communities build or expand vital community facilities such as health clinics, fire and police stations, libraries, schools, and day care centers. Business & Cooperative Programs help rural areas develop new job opportunities and increase access to capital, allowing businesses to remain viable in a changing economy.

USDA Rural Development is committed to the future of rural communities. Funding assistance is provided through direct or guaranteed loans, grants, technical assistance, research and educational materials for utilities, housing, business and renewable energy programs.

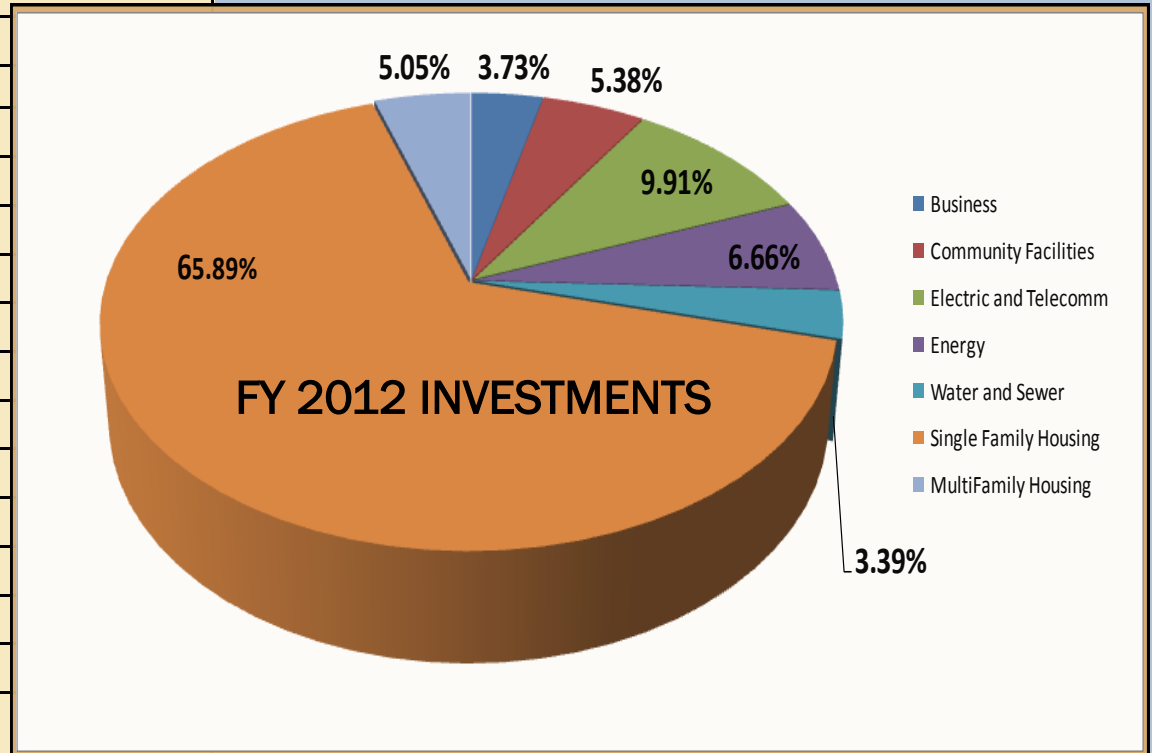
We are proud to work in partnership with state and local governments, as well as non-profit agencies and lenders. These partnerships are vital to leveraging funding and the success of delivering our programs to create and preserve rural jobs, enable rural Americans to buy homes and help low-income rural residents rent apartments or other housing. Our programs are provided across North Carolina through seven Area Offices and thirteen Sub-Area and Local Offices.



**Randall Gore
State Director
USDA Rural Development**

PROGRAM	AMOUNT
Single Family Housing Guaranteed Loans	\$1,026,825,712
Single Family Housing Direct Loans	\$43,125,981
Community Facility Loans	\$56,896,000
Community Facility Grants	\$350,200
Community Facility Guaranteed Loans	\$28,822,000
Economic Impact Initiative Grants	\$162,400
Water and Waste Loans	\$40,091,000
Water and Waste Grants	\$11,560,923
Appalachian Regional Commission Grants	\$1,288,500
Solid Waste Management Grants	\$109,098
Water and Waste Guaranteed Loans	\$1,983,000
Business & Industry Loan Guarantees	\$55,251,000
Rural Business Enterprise Grants	\$842,000
Rural Economic Development Loan & Grants	\$2,650,000
Intermediary Relending Program	\$161,000
Value Added Producer Grants	\$1,386,619
Rural Energy for America Program (Loans)	\$8,500,000
Rural Energy for America Program (Grants)	\$674,883
9003 Biorefinery Program	\$99,000,000
Rural Cooperative Development Grants	\$243,341
Distance Learning Telemedicine Loan and Grants	\$520,014
Rural Community Development Initiative Grants	\$626,000
Rural Community Development Initiative - Rural Jobs Accelerator	\$430,000
Multi-Family Housing Direct Loan Program	\$15,703,296
Multi-Family Housing Guarantee Loan Program	\$9,027,900
Housing Preservation Grant Program	\$139,148
Rental Assistance	\$57,032,640
Tenant Vouchers	\$147,599
Electric Loans	\$160,344,000
TOTAL OBLIGATIONS FOR FY2012	\$1,623,894,254.00

\$6.3 BILLION INVESTED IN RURAL NORTH CAROLINA SINCE 2009



HOUSINGincreasing housing OPPORTUNITIES



Apartment living is often an alternative for people who cannot afford the purchase price and maintenance costs of their own individual house.

Rural rental housing loans are made to finance building construction and site development of multi-family living quarters for people with low, very low and moderate incomes. Some units are reserved for people who are 62 and older.



For families and individuals with very low incomes, USDA Rural Development can help subsidize monthly rental payments, limiting these costs to no more than 30 percent of the adjusted monthly income of the applicant.

USDA Rural Development's Rural Housing Programs give households and individuals the opportunity to buy, build, or repair their homes in rural areas under 20,000 in population. Eligibility for these loans, loan guarantees and grants is based on family income and varies according to the median income for each county.

Home improvement loans and grants help low-income families and individuals, often elderly, remove health and safety hazards from their homes or add safety features that will improve their quality of life.

BUSINESS encouraging economic GROWTH

Working with private lenders throughout the state, USDA Rural Development is able to increase access to capital in rural areas, helping businesses get the necessary capital to create and maintain jobs. Through the Business and Industry (B&I) Guaranteed Loan Program, USDA guarantees loans made by eligible lenders to rural businesses.

The primary purpose of this program is to create and maintain employment and improve the economies of rural communities. Under the Intermediary Relending Program (IRP), loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to assist with financing business and economic development activity to create or retain jobs in rural communities.

Rural Business Enterprise Grants (RBEG) are used to finance and facilitate development of small and emerging rural businesses including capitalization of revolving loan funds. These revolving loans are used for start ups, working capital and training and technical assistance.

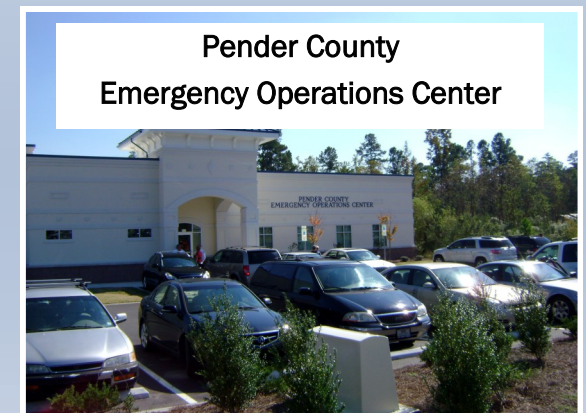
The Value-added Producer Grant (VAPG) program helps producers increase farm income and create new jobs by supporting production practices, marketing, and processing that add value to a product. VAPG funds can go to individual producers, organizations representing agricultural producers and farming and ranching cooperatives among others.

Rural Cooperative Development Grants (RCDG) are made for operating centers for cooperative development to improve the economic condition of rural areas by developing new cooperatives and improving operations of existing cooperatives.

The Small Socially-Disadvantaged Producer Grant (SSDPG) Program provides technical assistance to small, socially-disadvantaged agricultural producers through eligible cooperatives and associations of cooperatives.



COMMUNITY . . improving ESSENTIAL community services



Essential community infrastructure is key to ensuring that rural areas enjoy the same basic quality of life and services enjoyed by those in urban areas.

USDA Rural Development Community Facilities Program offers grants, direct loans and loan guarantees to develop or improve essential community services and facilities in rural areas. Public bodies and non-profit organizations can use the funds to construct, expand or improve facilities in rural areas of up to 20,000 that provide health care, education, public safety, and public services, including hospitals, clinics, and senior care facilities.

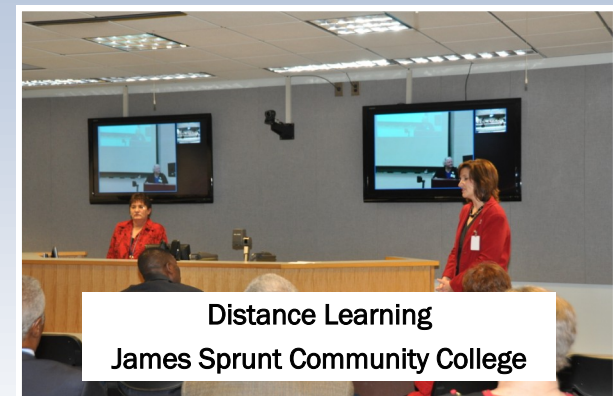
UTILITIES . . water, wastewater, broadband INFRASTRUCTURE



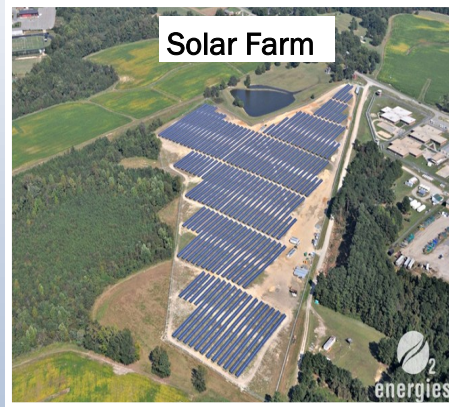
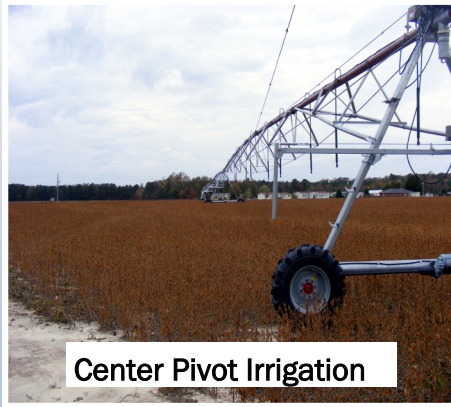
The USDA Rural Development Utilities Programs address the needs of rural residents for basic services such as clean running water, sewers and waste disposal, electricity and telecommunications.

The Rural Broadband Loan Program provides financing for the construction, improvement, and acquisition of facilities and equipment for broadband service in rural communities. Broadband Community Connect Grants provide a critical link between essential community facilities in areas where no broadband service currently exists.

The Distance Learning and Telemedicine Grant and Loan Program helps improve rural access to education and medical services available in urban areas.



ENERGY building energy INDEPENDENCE



To foster rural economic development and growth, Congress authorized the Rural Energy for America (REAP) Program as part of the 2008 Farm Bill.

This program provides financial assistance to agricultural producers and rural small businesses to purchase renewable energy systems or make energy efficiency improvements.

Renewable energy and energy efficiency systems provide a significant opportunity for rural economic development and growth. These opportunities include increasing local revenue, bolstering the local job market, and increasing the economic yield of land.

Energy efficiency improvements are a useful tool for increasing farm or business productivity while reducing costs. By investing in energy efficient equipment, agricultural producers and rural small businesses can enjoy savings and increased sustainability for years to come.

Business Development and Cooperative Programs

Program	Objective	Uses	Applicant	Eligible Area	Terms/Conditions
Business and Industry Program loan-guarantees	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of business that create rural jobs.	USDA Approved Lenders on behalf of their qualified rural business borrowers.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
Intermediary Relending Program loans	Finance business facilities and community development projects in rural areas.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Public bodies, non-profits, recognized tribes, and cooperatives.	Rural areas and incorporated places with populations of less than 25,000.	Intermediary loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Business Enterprise Program grants	Finance and facilitate the development of small and emerging private business enterprises.	Buy and develop land; establish revolving loan funds; construct buildings, plants, equipment, access streets and roads, parking, extend utilities; distance learning networks.	Public bodies, private non-profits, and recognized tribes.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	When grant funds are used for revolving loan fund (RLF), the applicant serves as intermediary to make loans to qualified businesses from its RLF on terms consistent with security offered.
Rural Business Opportunity program grants	Finance technical assistance for business development and conduct economic development planning in rural areas.	Technical assistance, leadership training, establishment of business support centers, economic development plans.	Public bodies, non-profits, recognized tribes, and cooperatives with members that are primarily rural residents.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Must be completed within 2 years after project has begun.
Rural Economic Development Program loans & grants	Finance economic development and job creation in rural areas.	Feasibility studies, business startup or expansion costs, business incubators, revolving loan funds and community facilities.	Electric and telephone utilities eligible for financing from the Rural Utilities Service.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Intermediary (electric or telephone utility) loans to for-profit or non-profit business or public bodies for rural economic development or job creation projects. Loans are 0% for 10 years.
Rural Cooperative Development Program grants	Establish and operate centers for cooperative development to improve economic condition in rural areas. Improve operations of existing coops.	To conduct feasibility studies, business plans, and applied research as well as provide training and other technical assistance to new and existing cooperatives and businesses.	Non-profit corporations and institutions of higher education.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Applicants must meet specific selection criteria including a minimum 25% fund match. Grants are awarded on a competitive basis.
Value-Added Agricultural Product Market Development Program grants	Assist independent agricultural producers to enter into activities that add value to their commodities.	Planning purposes like feasibility studies or business plans; or as working capital to help start the operations of a venture.	Independent producers, farmer and rancher cooperatives, and majority-controlled producer-based business ventures.	No population restriction.	Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.
Small Socially Disadvantaged Producer Program grants	Provide technical assistance to small, minority owned producers.	Technical assistance for market research and product/service improvement; legal assistance; feasibility study; business/marketing plans; and training.	Coops or associations with a primary focus on providing assistance to small, minority producers. Governing board and/or membership must be at least 75 % recognized minorities.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Funds are to be use only for Technical Assistance. No match requirements.
Renewable Energy for America Program (REAP) loans & grants	Finance the purchase of renewable energy systems or to make energy- efficiency improvements.	Construction, improvements, purchase/install equipment, energy audits, permit fees, professional service fees, business plans/feasibility studies.	Agricultural producers and small businesses located in rural areas. NOTE - Urban agricultural producers may also be eligible.	Any area except cities with populations over 50,000 or the adjacent urbanized area.	Loans cannot exceed 50% of total eligible project costs. Grant cannot exceed 25% of eligible project costs.

Rural Utilities and Community Facilities Programs

Program	Objective	Applicant	Uses	Eligible Area	Terms/Conditions
Water and Waste Disposal Programs loans & grants	Finance water and waste disposal in rural areas to the most financially in need, resulting in reasonable user fees.	Public entities, recognized tribes, and non-profits.	Build, repair, and improve public water systems, and waste collection and treatment systems and other related costs.	Rural areas, cities and towns with a population up to 10,000.	Interest rates set quarterly based on an index of current market yields for municipal obligations. Repayment period up to 40 years.
Water and Waste Disposal Programs loan guarantees	Provide loan guarantees to lenders serving financially needy applicants.	USDA Approved Lenders on behalf of Public entities, recognized tribes, and non-profits.	Construct, repair, modify, expand, and improve water supply and distribution systems; and waste collection and treatment systems.	Rural areas, cities and towns with a population up to 10,000.	Private lenders obtain up to a 90 % guarantee on loans they make and service.
Solid Waste Management Programs grants	Provide technical assistance and training to help communities reduce/eliminate water pollution, and improve planning and management of solid waste sites.	Non-profit organizations and public bodies.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities.	Rural areas, cities and towns with a population up to 10,000.	Projects are funded based on selection at the National level. Applications are accepted from 10/1 to 12/31 of each year.
Rural Broadband Program loans & loan-guarantees	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities.	Construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used to provide such service; and refinancing of Telecomm program debt.	Eligible rural communities with a population of 20,000 or less.	Interest rate set at US Treasury rate for a period equal to expected composite economic life of assets financed. Guaranteed may be provided up to 80% of principal.
Distance Learning and Telemedicine Program loans & grants	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities including municipalities that operate rural schools/education facilities, libraries, or health care facilities. May be for-profit or non-profit.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, ex-ray scanners, and digital microscopes.	Rural areas with populations of 20,000 or less.	Matching funds required.
Electric and Telecommunications Program loans & loan-guarantees	Provide financial aid through direct loans and loan guarantees for electric and telecommunication services.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities.	Generation, bulk transmission facilities, and power distribution. Enhance 911 service, digital switching, fiber optics, traditional telecomm and broadband.	Electric - U.S. Census designated rural areas. Telecommunication Rural areas with a pop. of 5,000 or less.	Interest rates are set in accordance with 7 CFR 1745.
Rural Community Development Initiative (RCDI) Grants	Assists organizations that provide technical assistance to other organizations to improve their ability to undertake housing, and community or economic development projects in rural areas.	Public or private organizations, including recognized tribes, which have been organized at least 3 years and have experience working with eligible recipients.	Recipient provides technical assistance to organizations serving rural qualified areas.	Rural area, city and towns with population not exceeding 50,000 including urbanized areas.	Matching funds required.
Community Facilities Program loans, loan-guarantees & grants	Provide essential community facilities for rural communities.	Public bodies, non-profit organizations, and recognized tribes. USDA Approved Lenders may apply for loan-guarantees on behalf of the above entities.	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Rural areas, cities, and towns with populations of 20,000 or less.	Up to 100 % of market value. Up to 40 years or life of security. Grant funds are limited.

Rural Housing Programs

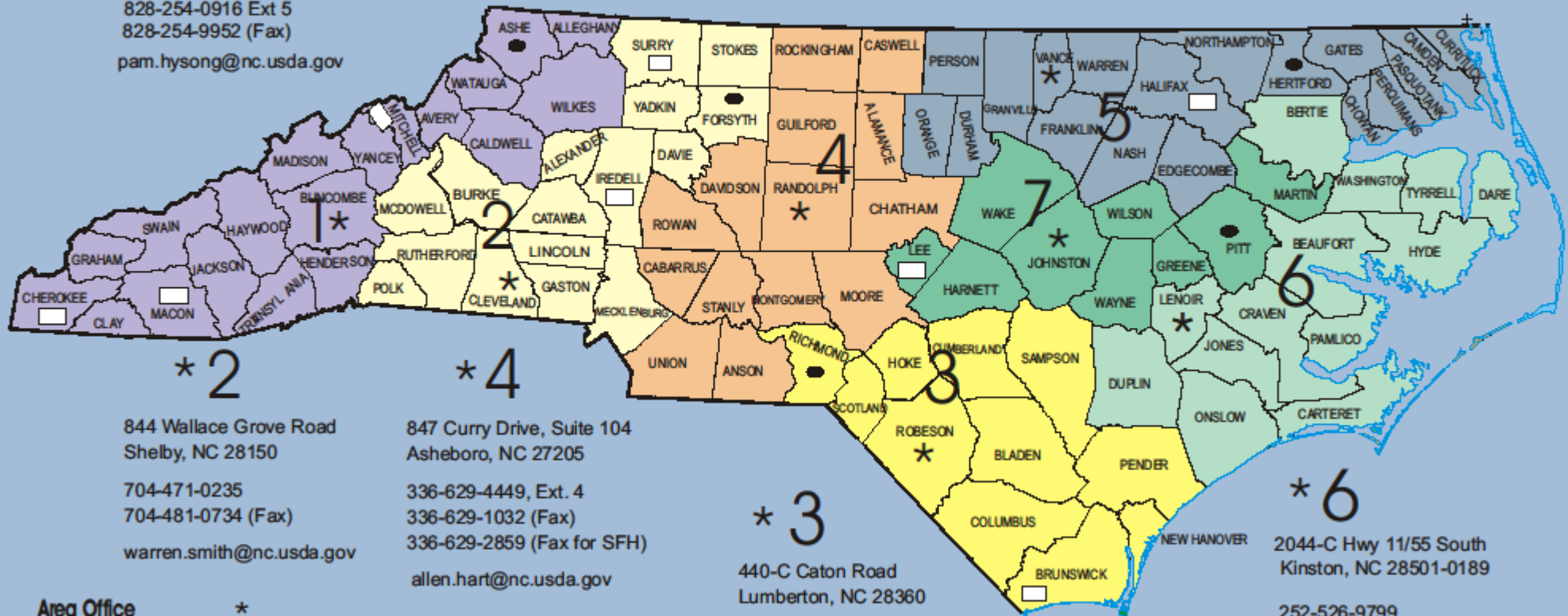
Program	Objective	Uses	Applicant	Eligible Area	Terms/Conditions
Single Family Homes (502 Program) loans	Safe, well-built, affordable homes for rural Americans.	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.	Families and individuals. For low and very low income applicants.	Rural areas with populations of 20,000 or less.	Up to 100% of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Homes (502 loan Guarantee Program) loan-guarantees	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Purchase new or existing home.	USDA Approved Lenders on behalf of their qualified home loan borrowers. For low to moderate income applicants.	Rural areas with populations of 20,000 or less.	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100% of market value.
Single Family Home Repairs (504 program) loans & grants	To help very-low income homeowners remove health and safety hazards or to repair their homes.	Repair or replace roof, winterizing, purchase or repair of heating system, structural repair, and water and sewage connect fees, and similar uses.	Families and individuals who currently own their home. Grants available only to very-low-income applicants 62 years or older who cannot afford to pay 1 % loan.	Rural areas with populations of 20,000 or less.	Loan terms to 20 years at 1%. Assistance to individual may not exceed \$7,500. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1% loan.
Mutual Self-Help Housing (523 program) grants	Assist lower income families in building their own homes. Owner's equity is achieved through "sweat equity" in construction of dwelling.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Public bodies and non-profits.	Rural areas with populations of 20,000 or less.	Grant agreement.
Multi-Family Rental Housing (515 program) loans	Safe, well-built, affordable rental housing for very-low, and low income individuals and families.	New construction and rehabilitation of existing multi-family rental housing in qualified rural areas.	Individuals, limited profit and non-profit organizations.	Rural areas with populations of 20,000 or less.	Up to 100% of total development cost for non-profits and 97% for for-profit companies. 30-year term with up to 50 year amortization. For for-profit organizations with Low-Income Housing Tax Credits, 95% of total development costs.
Multi-Family Rental Housing (538 program) loan-guarantees	Safe, well-built, affordable rental housing for low to moderate income individuals and families.	New construction, permanent loan or substantial rehabilitation of multi-family rental housing in qualified rural areas.	Individuals, partnerships, limited liability companies, trusts, state and local agencies and recognized tribes.	Rural areas with populations of 20,000 or less.	Up to 90% loan to value for loans made to for-profit entities, and up to 97 % loan to value for loans made to non-profit entities. Repayment terms are 25 to 40 year amortization. Annual guaranteed fee may be applicable.
Multi-Family Rental Housing Preservation (533 HPG program) grants	Repair and rehabilitate housing owned or occupied by very-low and low-income rural families.	Repair and rehabilitation of multi-family rental housing in qualified rural areas.	Public bodies and non-profits that provide assistance to low to moderate income families or individuals.	Rural areas with populations of 20,000 or less.	Grant agreement.
Farm Labor Housing (514 & 516 programs) loans & grants	Safe, well-built affordable rental housing for farm workers and their families.	New construction or substantial rehabilitation of rental housing for farm workers and their families.	Individuals, public and private non-profit organizations.	No population restriction.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.

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Sub Area Office ●
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