Eligible Purposes

USDA Rural Development administers a direct loan and grant program to develop fire and rescue facilities and equipment in rural areas and towns with populations up to 20,000.

Purchase or construction includes:
- Jail
- Fire Trucks
- Fire Department Buildings
- Police Stations
- Multi Service Buildings FRPS
- Mobil Communications Center
- Civil Defense Buildings
- Rescue and Ambulance Service Buildings
- Rescue and Ambulance and Equipment Service Communications Centers
- Architectural & engineering fees, right of way and easements

Eligible Applicants

Non-profit corporations, federally recognized Indian Tribes, public bodies, special purpose districts, and authorities.

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

For loans, the applicant must have 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 based on taxes, assessments, revenues, fees of other satisfactory sources of income to pay costs of operating, debt service, and reserve.

Maximum Loan, Rates, & Terms

There is no maximum dollar amount. The amount loaned is usually determined by the amount needed to meet the applicant’s needs and ability to handle the repayment schedule. Interest rates vary depending on the median household income of the service area. Maximum terms: 40 years, State Statute, or the useful life of security, which ever is less.

Grants

Grant funding is used to supplement loans and is limited to the minimum amount sufficient to provide economic feasibility. Grant funds are offered based on a graduated scale enabling rural communities with small populations and low income levels to receive a greater percentage of grant funds. Areas with median household income above $30,492 are not grant eligible.

Security Requirements

Loans will be secured by one or a combination of 1) assured income such as general obligation bonds, assessment bonds, assignment of income available for the life of the loan, 2) past successful operation or 3) substantial community support (shown through contributions.)

Priority

Funding is on a first come, first served basis, with priority to low income communities, to communities with populations less than 20,000 and for projects necessary to meet established health and sanitary standards and to public safety or health care projects.

In addition, applications are evaluated on the basis of amount of funds provided from private, local or state sources; financial soundness; and quantity of USDA Rural Development funding required.