



# Environmental Infrastructure Loan Program

Rural Community Assistance Corporation's (RCAC) Environmental Infrastructure Loan Program helps create, improve or expand the supply of safe drinking water, waste disposal systems and other facilities that serve communities in the rural West. RCAC's loan programs are unique — they provide the early funds small rural communities need to determine feasibility and pay pre-development costs prior to receiving state and federal program funding. RCAC also may provide interim construction financing as well as intermediate and long-term loans for system improvements.



## General program requirements

### *Eligible applicants*

Nonprofit organizations, public agencies and tribal governments

### *Eligible areas*

Projects must be located in rural areas with populations of 50,000 or less in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. Community size is limited to 10,000 for long-term USDA guaranteed loans and short-term loans for which USDA is the long-term lender.

### *Eligible projects*

Eligible projects include water, wastewater, solid waste and storm water facilities that primarily serve low-income rural communities.

## Loan products

### *Short-term loans (1 to 3 years)*

#### *Feasibility*

*(such as Preliminary Engineering Reports (PER), environmental reports)*

- Loan amount normally not more than \$50,000
- Unsecured, Promissory Note only
- Normal term — one year

- Entity must be eligible for long-term financing from governmental or other source and have reasonable priority rating for probable funding
- Entity must agree to repay loan, on extended terms if necessary, if project does not proceed
- Must have technical assistance to extent needed, either from RCAC or another acceptable source

### *Pre-development*

*(such as engineering, legal, bond counsel)*

- Amount corresponding with other financing source Letter of Conditions to cover pre-construction costs
- Normally not to exceed \$350,000
- Unsecured, Promissory Note only
- Letter of Conditions from long-term funding source
- Normal term — one year
- Technical assistance as necessary

### *Construction*

- Amount corresponding with other financing source Letter of Conditions to cover loan portion of funding commitment
- Normally not to exceed \$2 million
- Generally secured by same type of security as permanent financing source outlined in Letter of Conditions for permanent loan
- Commitment letter for permanent financing from funding source
- Loan term corresponding with construction period for loan portion

### Intermediate term loans

- Up to 20 years repayment
- Maximum 5 percent interest rate
- For smaller capital needs, normally not to exceed \$100,000

### Long-term loans

- Must meet requirement of USDA Rural Utilities Service Water and Waste Disposal Guaranteed Loan Program, such as eligible loan purpose and eligible entity
- Fees — 1 percent loan fee, 1 percent guarantee fee on guaranteed portion of loan (generally 90 percent)
- Interest rate — set at time of closing in accordance with the secondary market rate for the term of the loan. The rate is generally expected to be 2 to 3 percent over short-term rates
- Generally used when system improvements are needed and system does not have priority to qualify for more favorable funding sources
- Cannot be used for public body applicants who would issue tax exempt obligations as security
- Applicant must demonstrate repayment ability and security for the loan

## General information

- Loan applications are available online at [www.rcac.org](http://www.rcac.org). (Click on Programs/Services and select Loans). Applications are specific to the requested loan product. RCAC loan officers and environmental staff can provide application assistance.
- Loan fee — 1 percent.
- Interest rates and fees are subject to change. Short-term rates are generally in the 5 percent range. For Arizona, the interest rate is 1 percent higher, but there is no loan fee.
- The RCAC loan committee can make loan policy exceptions to tailor a loan to fit particular project needs.
- Loans may roll from one into the next, for example, feasibility to pre-development, or may be freestanding. Limited additional borrower information is required for progressive loans; the PER provides most information. A more extensive loan application is required for freestanding pre-development, construction or long-term loans.
- Amounts given as *normally* not to exceed are loan policy limits; higher amounts may be approved.

### Green lending

- RCAC encourages incorporation of water and energy saving features in new or rehabilitation infrastructure projects.

- Applicants must agree to provide green components or features as part of the project.
- Loan applications meeting green criteria are given funding priority.

Rural Community Assistance Corporation (RCAC) provides technical assistance, training and financing so rural communities achieve their goals and visions.

Founded 30 years ago, RCAC provides a wide range of community development services for rural and Native American communities, agricultural workers and community-based organizations in 13 Western states. RCAC was certified as a Community Development Financial Institution (CDFI) in 1996 and finances affordable housing, community facilities, and water and wastewater systems. As a certified CDFI, RCAC fills financing gaps and serves those traditionally neglected by conventional markets.

With a \$13 million operating budget and more than \$65 million in lending capital, RCAC is a major resource for rural communities. Headquartered in West Sacramento, California, RCAC's more than 110 employees serve rural communities from 42 field office locations.

### RCAC Loan Fund

#### Corporate Office

3120 Freeboard Drive, Suite 201  
West Sacramento, CA 95691

Michael Carroll, Loan Fund Director  
916/447-9832 ext. 1003 ■ cell: 916/956-5368  
■ Fax: 916/447-2802 ■ E-mail: [mcarroll@rcac.org](mailto:mcarroll@rcac.org)

Robert Longman, Credit Officer  
916/447-9832 ext. 1041 or 530/692-9625  
■ cell: 916/548-5648 ■ Fax: 530/692-9626  
■ E-mail: [rlongman@rcac.org](mailto:rlongman@rcac.org)

#### RCAC Field Offices

Cyndy Elliott, RDS Loan Officer  
209/576-0430 ■ cell: 209/402-4342  
■ Fax: 209/576-2473 ■ E-mail: [celliott@rcac.org](mailto:celliott@rcac.org)  
Areas served: Central/Southern California, Hawaii

Joshua Griff, RDS Loan Officer  
720/898-9463 ■ cell: 720/951-2163  
■ Fax: 303/455-7916 ■ E-mail: [jgriff@rcac.org](mailto:jgriff@rcac.org)  
Areas served: Colorado, Idaho, Montana, Oregon,  
Utah, Washington, Wyoming

John Juarez, RDS Loan Officer  
623/825-1417 ■ cell: 602/689-4867  
■ Fax: 623/825-1417 ■ E-mail: [juarez@rcac.org](mailto:juarez@rcac.org)  
Areas served: Arizona, Nevada, New Mexico

John Weidemaier, RDS Loan Officer  
530/741-2227 ■ cell: 530/632-3884  
■ Fax: 530/741-2228 ■ E-mail: [jweidemaier@rcac.org](mailto:jweidemaier@rcac.org)  
Areas served: Northern California, Alaska