

# WATER AND WASTE DISPOSAL LOAN & GRANT PROGRAM



## SUMMARY

USDA's Rural Development Direct Program provides long-term, low-interest loans, and loans combined with grants (if funds are available) to keep user costs reasonable for drinking water systems, sanitary sewage systems, solid waste disposal, and stormwater drainage in eligible rural areas.

- Created by Consolidated Farm and Rural Development Act; program in existence for over 70 years
- Administered by USDA Rural Development
- Average Annual Funding: PA - \$50-80 million
- Funding Source: Federal - USDA

## FEATURES

Program helps small rural, distressed communities improve water and waste treatment facilities.

The loan program has up to a 40-year payback period, based on the useful life of the facilities financed. Fixed interest rate is based on the need for a project and the median household income of the area served. All facilities financed must be used for a public purpose.

## ELIGIBILITY

### Who is Eligible?

Rural areas and towns with populations of 10,000 or less; however, with the Guaranteed Water and Environmental Program, can serve loans up to 50,000 in population.

### Eligible Costs

Funds may be used to finance the construction, acquisition, or improvement of drinking water facilities; sewer collection, transmission, treatment and disposal; solid waste collection, disposal and closure; and storm water collection, transmission, and disposal.

Funds may be available for legal and engineering fees, land acquisition, permitting, equipment, interest during construction, and start-up operations and maintenance.

## HELPFUL TIPS

Combined municipal efforts are encouraged, as well as partnerships with other state and federal funding programs.

Contact an Area Specialist at your local [RD office](#) for eligibility and assistance with the application requirements.

## HOW TO APPLY

Applications are accepted year round and may be filed electronically using [RD Apply](#) or through your local [RD office](#).

Lancaster and York counties: Sean McElroy, Area Specialist; 717-376-3499.

