United States Department of Agriculture

Rural Development

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WORKING SUCCESSFULLY WITH RUS

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Working Successfully with RUS

Conversation Topics

- Why do I want a Loan?
- What about Grants?
- Working with your General Field Representative
- Financial Projections / Considerations
- Engineering Design Requirements / Considerations
- Q+A

Working Successfully with RUS: Why do I want a Loan?

RUS Loan Program Benefits

- Low Interest Rates
  - 20 years at 3.08%
  - 3 month (FFB) at 1.87%
- Cushion of Credit Program
- Competitive Protection
- High Loan Approval Success Rate
- Improving Processing Times

Working Successfully with RUS: What about grants?

Free Money!? Not quite…

- Two Grant Programs
  - Distance Learning and Telemedicine
  - Community Connect Broadband Program
- Competitively Scored and Awarded
- 3 year implementation period
- Government maintains a legal interest on the grant funded assets

Working Successfully with RUS: Your GFR

Communicate and Collaborate

- Borrower with GFR
  - Early and Frequently
- Borrower with Engineer and GFR
  - Initial and Final Reviews
  - Non-Duplication Requirements
- Borrower with Financial Consultant
- Consistency of Communications among All Parties

Working Successfully with RUS: Financial Operations

Best practices for Financial Information with loan applications

- Explain, explain, explain: don't assume we understand your assumptions
- Treat RUS like a lender, not a regulator
- Project depreciation like RUS does to avoid unpleasant surprises
- Past performance may not guarantee future results, but it's usually the most reliable predictor
- Forget about the regulated/nonregulated distinction

Working Successfully with RUS: Engineering Design

Areas for discussion

- Consistency within design narrative and schedules in RD Apply
- Mapping (ie do we want them to match by exchange in Infrastructure?)
- Consistency with reporting in DCS/BCAS
- Engaging early on ER
  - Submit before the loan is turned in RDApply, if possible
  - Submit to LOAD Engineering through GFR rather than directly to RUS environmental staff
- Interim Financing requests

Working Successfully with RUS

Questions???

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