

Rural Health Capital Resources Training Series

102 Introduction to Capital Resources

Financing Rural Health Infrastructure and Community Development Projects



National Organization of State Offices of Rural Health

5/13/2025



Agenda

- ▶ Introduction and Welcome
 - ▶ Kristin Juliar, Rural Health Capital Resources Consultant, NOSORH
- ▶ Upcoming classes
- ▶ Expert Instructors
 - ▶ Brian Haapala, CEO, Stroudwater Capital Partners
 - ▶ Garland Burnette, Director, Community Programs and Program Support, North Carolina, USDA Rural Development
- ▶ Question & Answer
- ▶ Adjourn



Rural Health Capital Resources (RHCR) Training Series

100 SERIES—FREE

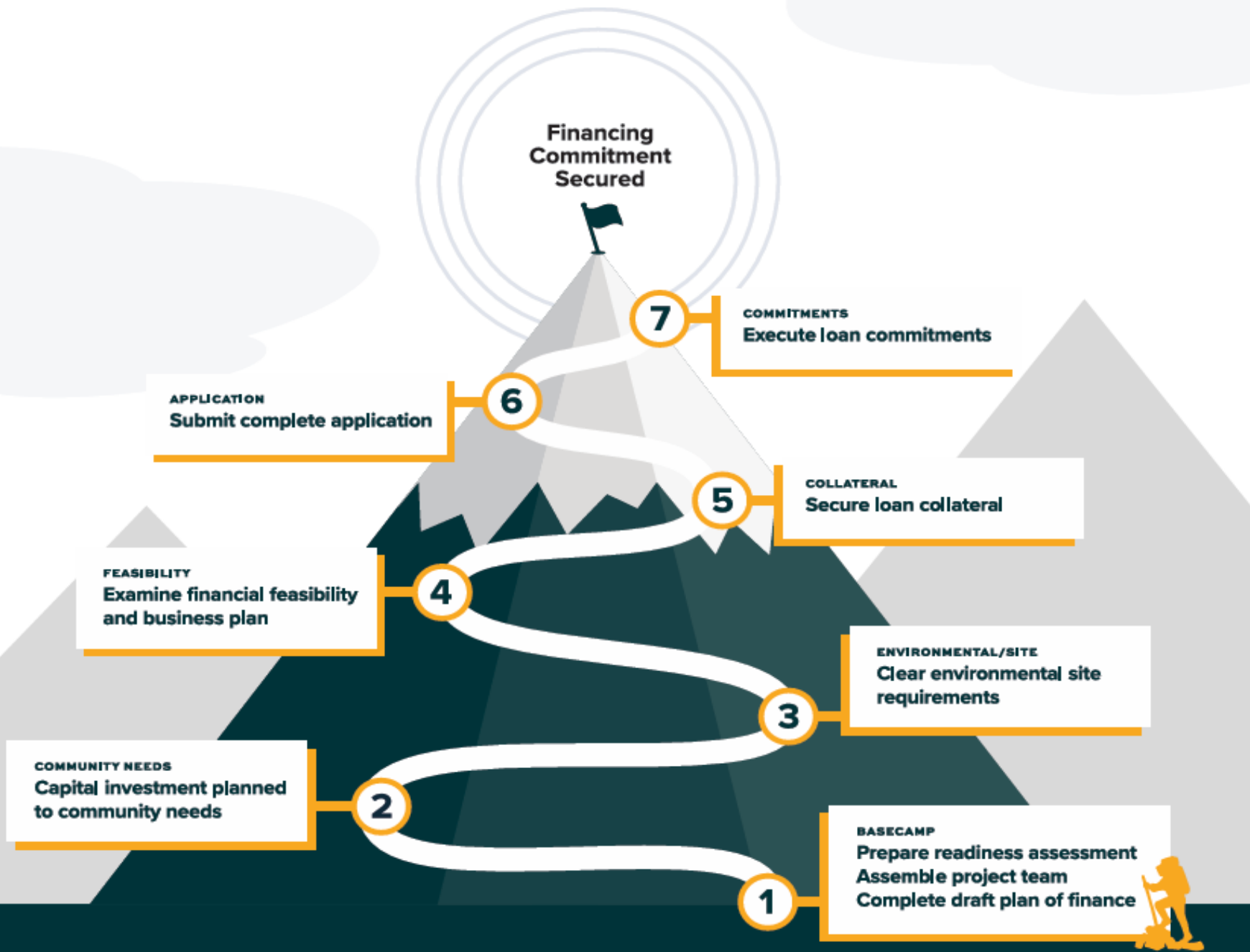
- ▶ ~~May 6 - 101: Introduction to Rural Health Capital Resources—Basic Concepts of Rural Health Capital and Community Finance~~
 - ▶ **RECORDING POSTED** 
- ▶ **May 13 - 102: Rural Health Capital Resources—Financing Rural Health Infrastructure and Community Development Projects**
 - ▶ Brian Haapala, CEO, Stroudwater Capital Partners
 - ▶ Garland Burnette, Director, Community Programs and Program Support, North Carolina, USDA Rural Development
- ▶ **June 18 - 103: Philanthropy for Rural Health The World of Rural Philanthropy: How to Effectively Engage and Partner**
 - ▶ Allen Smart, Rural Philanthropic Advocate Emeritus, PhilanthropywoRx



Brian Haapala
CEO

Stroudwater
Capital
Partners







Garland Burnette

**Director, Community
Programs and
Program Support,
North Carolina**

**Rural Development
USDA**





USDA and Rural Health

NOSORH Rural Health Capital Resources 102

D. Garland Burnette, North Carolina Director of Community Facilities

Date: May 13, 2025



U.S. Department of Agriculture (USDA)

Farm
Production
and
Conservation
(FPAC)

Food,
Nutrition, and
Consumer
Services (FNS)

Food Safety
(FSIS)

Marketing
and
Regulatory
Programs
(MRP)

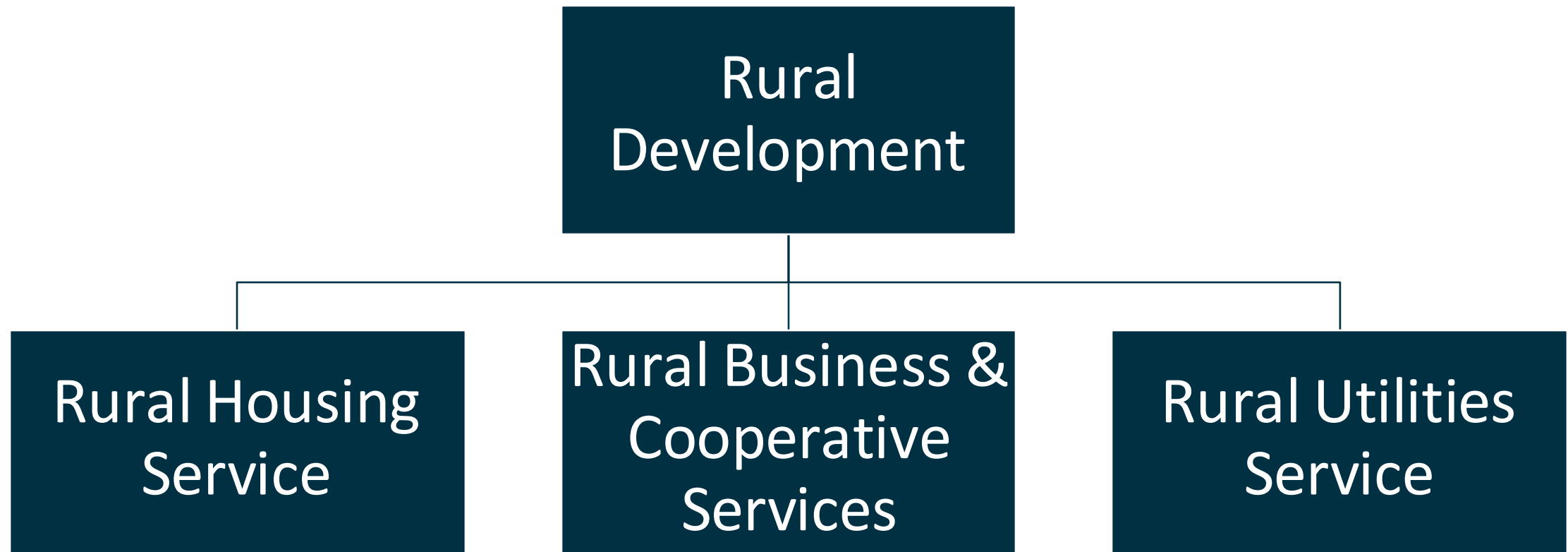
Natural
Resources
and
Environment
(NRE)

Research,
Education,
and
Economics

Trade and
Foreign
Agricultural
Affairs (TFAA)

Rural
Development
(RD)

Rural Development Agencies (Program Areas)



USDA Rural Development

Who are we?

- **Rural Development** functions as the **World Bank** for rural America
- With almost 5,000 staff and over **\$250 Billion** in assets, Rural Development ranks as the **14th largest bank in the U.S.,*** and one of the largest lenders to rural America
- RD provides **direct loans, guaranteed loans, grants, and technical assistance** support to rural communities to fund the development of **utilities** like electric, telecommunications, and water resources; the purchase and construction of **homes**; the development of **community** facilities; and the financing for **small business**.



Housing



Business



Community

*Source: [FRB: Large Commercial Banks-- June 30, 2024 \(federalreserve.gov\)](https://www.federalreserve.gov/monetarypolicy/largecommercialbanks.htm)

RD NATIONAL: PORTFOLIO OF LOANS AND GRANTS



RD Obligations | Overview

For USDA Internal Use Only

OEA Announced

All



Fiscal Year
2024

Region
All

State Name
All

Agency
All

Program Area
All

Subprogram
All

Investment Type
All

Funding Code (T..
All

Recipient Type
All

NAICS Industry
All

Special Initiatives
All

View Table



\$25,905,608,407
TOTAL OBLIGATIONS

Grant Funds

\$6,030M

Loan Funds - Direct

\$11,216M

Loan Funds - Guarant..

\$8,648M

Loan & Grant Combo

\$12M



63,156
OBLIGATION COUNT

Grant Funds

24,639

Loan Funds - Direct

5,230

Loan Funds - Guarant..

32,677

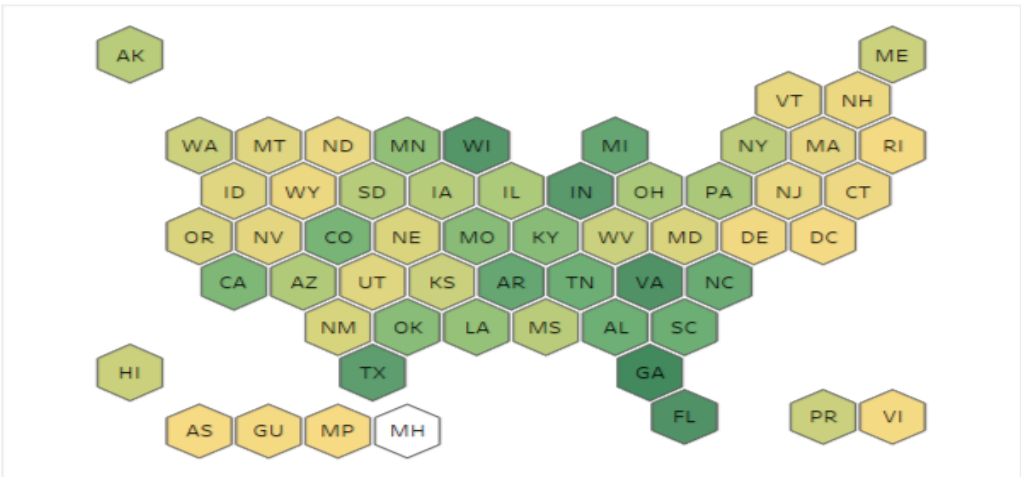
Loan & Grant Combo

724

| | Obl Amt | Obligation Count |
|-----------------------------|------------------|------------------|
| Business Programs | \$3,589,986,620 | 6,146 |
| Community Facilities | \$1,084,382,568 | 707 |
| Electric Programs | \$10,095,430,335 | 142 |
| Multifamily Housing | \$1,908,613,547 | 15,247 |
| Single Family Housing | \$7,211,096,809 | 40,133 |
| Telecommunications Programs | \$421,121,668 | 171 |
| Water and Environmental | \$1,594,976,860 | 610 |

OBLIGATIONS AMOUNT BY STATE

Select a State on the filter above or on the map below. Then click on the Zoom (+) button to view the county or congressional map



Obl Amt \$15,000 \$1,513,496,320

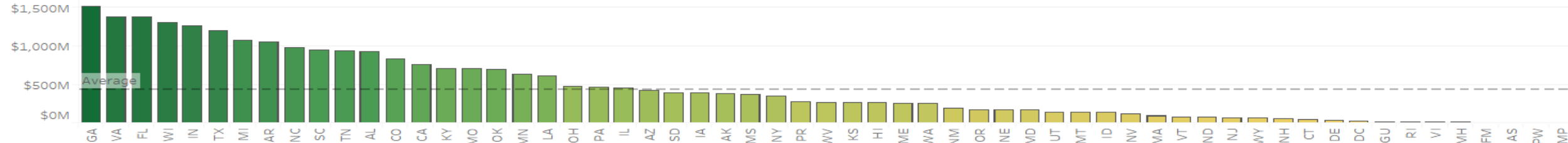
Zoom (+) County

Zoom (+) Congressional

Obligations with unknown counties or congressional districts will not render on applicable map views. Electric and Telecom obligations will not be displayed on the zoom-level maps because these projects serve multiple counties. They are included in the State level. Contact the applicable Program for county level data to review counties served.

Highlight Obl State
No items highlighted

OBLIGATION AMOUNT BY STATE



How RD supports rural health and health care

USDA Rural Development operates over 70 financial assistance programs, including loans, grants, and guarantees that support making an impact to a community's health

**Hospitals
Rehab Facilities
Schools
Food Distribution
Broadband
Telemedicine
Business
Housing
Water & Wastewater**



Community Facilities Program Overview

Essential Community Facilities

- Community Facilities Programs offer fixed rate, low-cost **direct loans**, **loan guarantees** and **grants** to develop or improve essential services for the orderly development of our rural communities.



Community Facilities: Primary Eligibility Requirements

- **Financing must be for projects that provide for an essential community service.**
- **Applicants must be a Public Body, Community Based Not for Profit Organization or a Federally recognized Tribe.**
- **The facility must be located in a rural area, population less than 20,000 and primarily serve rural residents.**
- **The facility must be operated on a nonprofit basis and does not include private affairs, commercial or business undertakings**



Community Facilities: Primary Eligibility Requirements

- Repayment Capacity:
 - Must demonstrate ability to meet O&M, existing and projected repayment.
 - Must be unable to obtain financing through conventional credit sources.
- Grant Availability:
 - Based upon Non-Metropolitan Median Household Income (NMMHI) relative to State Median Household Income (SMHI). Lower NMMHI relative to SMHI greater the grant eligibility up to 75% of total project cost
 - Grant also dependent upon population with grant assistance provided to those communities with the smallest population.

Community Facilities- Guidance Book for Applicants

CF Direct Loan Program Guidance Book for Applicants

<https://www.rd.usda.gov/programs-services/community-facilities>



Community Facilities
Direct Loan Program
Guidance Book
for Applicants

Together, America Prospers

Guaranteed Community Facilities Program

- **Approved Lenders may apply to USDA-RD for the benefit of a loan guarantee**
- **Loan interest rates, terms, and conditions established by the lender.**
- **Guarantee represents 80% of any loss incurred by the lender.**
- **Eligible population limit: up to 50,000.**
- **Guaranteed fee required of 1.25% of guaranteed loan amount.**
- **For more information go to: <https://www.rd.usda.gov/onerdguarantee>.**

Rural Emergency Hospitals- How can RD help?

- Fund capital costs for conversion
- Assist hospitals that have loans from RD as they consider whether to convert
- Help hospitals access technical assistance from HRSA
 - Health Resources and Services Administration is funding REH Technical Assistance through the Rural Health Redesign Center:
<https://www.rhrco.org/reh-tac> ; REHSupport@rhrco.org



FY2024 USDA Rural Development Rural Health Investments*

\$496M

Invested in rural
health projects

253

Number of
projects

43 States

Number of
States

15

Number of
programs

*As of Oct 2024

Distance Learning and Telemedicine Grant



Distance Learning and Telemedicine Grant

USDA Distance Learning and Telemedicine Grant funds can be used to

- Purchase equipment, wiring, software, and other necessary items
- Support instructional programming
- Offset costs associated with providing technical assistance



Distance Learning and Telemedicine Grant

- **Eligible Applicants: Public Bodies, Non-Profit Organizations, Federally Recognized Indian Tribes, and Incorporated – For Profit Businesses.**
- **Estimated Funds Available for FY 2025: \$40,000,000**
- **Maximum Grant Request Amount: \$1,000,000**
- **Minimum Grant Request Amount: \$ 50,000**
- **Required Match: 15%**

Distance Learning & Telemedicine Grant Program - Assistance

Sources of Assistance

- Website:

<https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

- Application Guide, Sample Worksheets, and Checklist
- Past Award Summaries and Webinar Recordings
- General Field Representatives (GFR): Applicants may contact their GFR for technical assistance up to 14 days prior to closing date of application window. GFR listing is found at <https://www.rd.usda.gov/contact-us/telecom-gfr>

Rural Data Gateway



Investment FY2024

\$14.4 B

in all states



Number of Investments FY2024

60,948

investments in all states



Socially Vulnerable Communities
Investment FY2024

\$3.1 B

invested in Socially Vulnerable
Communities in all states

***Makes It Easier for People to Access Data on
USDA-funded Projects in Rural Communities***

[Rural Data Gateway | Rural Development \(usda.gov\)](https://ruraldata.usda.gov)



Stakeholder Analysis



Data Presentation



**Data Accuracy &
Availability**



Data Security



Open Data Platform

RBCS-Guaranteed Loan Program



Rural Business and Cooperative Services- Guaranteed Loan Program

Business & Industry (B&I) Guaranteed Loans

Enables smaller lending institutions to provide loans above their legal lending limit

Guarantee enable lenders to offer lower interest rates

Loan Guarantees provide longer terms while reducing credit exposure

Guarantee reduces lender risk where personal or corporate guarantees are not available



Business & Industry Guaranteed Loan Program

Eligible Purposes

Business conversion, enlargement, repair, modernization or development

Purchase and development of land, buildings, or facilities

Purchase of equipment, machinery, supplies, or inventory

Debt refinancing when refinancing improves cash flow and creates or saves jobs

Working Capital

Loan Guarantee Term and Interest Rates

| Term | Interest Rates |
|--|--|
| Up to 40 years, as determined by the lender's own policies | Negotiated between the lender and borrower |
| Agency Concurrence Required | Fixed or variable |
| Use of guaranteed loan funds | Variable interest rate may not be adjusted more often than quarterly |
| Useful economic life of the assets being financed & the collateral | |

B&I Loan Guarantee Debt Refinancing



Assisted Living Facility

Lender: U.S. Eagle Federal Credit Union

- \$9,781,000 B&I Loan Guarantee
- Refinanced debt includes construction, start-up and building improvements



40 Jobs Saved

B&I Loan Guarantee Business Acquisition



Independent Pharmacy

Lender: Southern Bank & Trust

- \$180,000 Total Project Cost
- \$150,000 B&I Loan Guarantee



Created 3 jobs



Discussion and questions





One more live class & recordings!

103—The World of Rural Philanthropy: How to Effectively Engage and Partner

Wed., June 18, 12-1:30 pm ET

- Allen Smart, Rural Philanthropic Advocate Emeritus, PhilanthropywoRx

This session provides an overview of the structure of the rural-serving philanthropic sector, explores how philanthropy views rural organizations and communities, and shares practical lessons for engaging and building long-term partnerships with rural funders.

- ▶ Recordings and slide decks are available at:
 - ▶ <https://nosorh.org/rural-health-capital-resources-council-project/>

Thank you for your support!