

RURAL DEVELOPMENT FUNDING PROCESS

Titus Falkenburg | USDA Rural Development

For any community thinking about applying for Federal funding – now is a good time. The fiscal year has ended and we hope to get FY 2016 funding for our Water and Environmental Program (WEP) in the near future. This program is the one most of you are familiar with and provides loans and grants to public bodies to construct, extend, or improve water and wastewater systems in rural communities. We are currently accepting applications and I want to take this opportunity to explain our process so communities that are considering applying for funding understand the required steps needed to apply.

Our funding process begins with an Initial Application. For details on the Initial Application package please visit our website at www.rd.usda.gov/ny. Choose the “Water & Waste Disposal Loan & Grant Program”, then the “Forms & Resources” tab, and finally choose “WEP Application Package”. The website also contains information on our other grant and loan programs as well. Applications are processed through our Area Offices. We have ten Area Offices throughout New York and each office serves several counties. There is a directory on the website so you can determine which office services your project.

Upon receipt of an Initial Application, USDA Rural Development will complete an overall review of the financial, environmental, and engineering components of the project. This includes an evaluation of the applicant for eligibility, ability to obtain credit elsewhere, and an evaluation of the proposed project. An environmental review will be conducted to determine what environmental impacts the proposed project will have, if any. During this stage of the project, the preliminary engineering and environmental components are heavily emphasized as they are critical to development of the application and normally take the most time to complete. USDA Rural Development advises against taking any actions or incurring any obligations which would either limit the range of the alternatives to be considered or have an adverse effect on the environment.

Once all of the required items in the Initial Application are received and reviewed we will make an eligibility determination and the applicant will receive one of two types of letters.

1. Preliminary Funding Estimate (PFE) – Gives an estimate of potential funding and invites a Full Application. Please note that this is not a commitment letter, but gives the applicant a potential funding scenario so they can make an educated decision on whether or not they want to continue to process their application.
2. Ineligible project – Project is not eligible for our program. An explanation of why and if it can be made eligible are also provided.

If an applicant receives a PFE from our office, we require that a Full Application be submitted within 90 days. If the applicant cannot meet that timeline, then a time extension may be requested. Upon receipt and acceptance of the Full Application and completion of the environmental and preliminary engineering requirements, we will try to fund the project with our New York State allocation. At that time a Letter of Conditions will be issued – which is a commitment letter and funds can be allocated to your project.

If the Full Application is complete and there are no remaining New York funds, the project will be sent to our National Office to compete with other projects from across the country for year-end pooled funds. Finally, if the project has still not received funding, it will move to the top of our funding list for the following fiscal year.

I hope that this general outline of our process will make it easier to understand some of our program requirements and help when applying for a loan or grant from our agency. We are currently accepting applications, so please submit your application now. Your comments and/or questions are always welcome. Please feel free to contact me at (315) 477-6465 or titus.falkenburg@ny.usda.gov or visit our website at www.rd.usda.gov/ny. 💧💧💧