



**Rural Development**

200 4<sup>th</sup> Street SW Federal Bldg. Rm. 210  
Huron, SD 57350  
Voice 605.352.1100  
Email: [tammi.schone@sd.usda.gov](mailto:tammi.schone@sd.usda.gov)  
Web: <http://www.rd.usda.gov/sd/>

# News Release

Contact:  
Tammi Schone, (605) 352-1102  
[tammi.schone@sd.usda.gov](mailto:tammi.schone@sd.usda.gov)

## **USDA Rural Development Announces Rural Electric Economic Development, Inc. Will Receive \$10 Million as USDA Launches Re-lending Program to Reduce Rural Poverty**

**Madison, SD, December 21, 2016** – U.S. Department of Agriculture Rural Development Acting State Director Bruce Jones announced that Rural Electric Economic Development, Inc. (REED) will receive a Community Facility Direct Re-lending Program loan in the amount of \$10 million for relending in South Dakota rural communities. USDA Rural Development Tim Potts was in Madison to recognize them on Jones behalf.

“The long standing partnership USDA has with both REED represents the immense value of the organization and the vital role they have in supporting our rural South Dakota communities,” said Jones. “This funding will enable the organization to bolster opportunity to our communities through relending, thereby supporting essential community facilities that South Dakotan’s rely on.”

As a re-lender, REED will loan funds to applicants primarily for projects in or serving high poverty areas or persistent poverty counties eligible under the Community Facility Loan program.

Eligible applicants for the loans financed through the Community Facilities Re-Lending Program may use the funds REED to purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses. Examples of allowable facilities include health care facilities (such as hospitals, medical or dental clinics, or assisted-living facilities); public facilities such as town halls or courthouses; street improvements; community support facilities such as child care or community centers, fairgrounds, or transitional housing; public safety facilities; and educational facilities such as museums, libraries, colleges, and public or private schools.

REED provides business and community project financing in partnership with commercial and other economic development lenders to leverage private investment and make a difference in the region it serves. Established in 1996 and governed by 22 electric cooperatives, it assists projects that promote growth and contribute to job, business and wealth creation, as well as improve the infrastructure, community facilities/services and economic base of rural areas.

The financing announced today has two unique features. First, private financial institutions, including Bank of America and others, will be providing guarantees for a portion of the loans. Second, the recipient community development organizations, or “re-lenders,” may also have

an opportunity to secure grants provided by seven of the nation's premier philanthropic organizations through a \$22 million fund to assist in managing and capacity building. The Mary Reynolds Babcock Foundation will manage this grant fund.

The project is led by the U.S. Department of Health and Human Services in collaboration with USDA, the Department of Labor, the Corporation for National and Community Service, the Appalachian Regional Commission, the Delta Regional Authority, the Annie E. Casey Foundation, the W.K. Kellogg Foundation and other philanthropic partners. The members of this public/private partnership have selected 10 local and tribal communities and placed AmeriCorps VISTA members there to provide technical assistance and capacity-building resources to reduce child poverty. At a White House Rural Forum convened in State College, Pa., earlier this week, the partners announced that the AmeriCorps VISTA members will remain in the 10 communities for a second year.

USDA expects the financing will serve as a catalyst for additional investment. Many of the community developers already have established relationships with other private and philanthropic funders. The ability to relend money could foster greater leveraging of private and philanthropic investments in rural communities.

Since 2009, USDA [Rural Development \(@USDARD\)](#) has funded nearly 9,200 community facilities such as schools, public safety and health care facilities; invested nearly \$13 billion to start or expand nearly 112,000 rural businesses; helped 1.1 million rural residents buy homes; and helped bring high-speed Internet access to nearly 6 million rural residents and businesses. USDA also has invested \$31.3 billion in 963 electric projects that have financed more than 185,000 miles of transmission and distribution lines serving 4.6 million rural residents. For more information, visit [www.usda.gov/results](http://www.usda.gov/results).

To read more about USDA's investments in rural America and its successful turnaround, visit USDA's entry on Medium.com, [Rural America Is Back in Business](#).

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