



TELECOMMUNICATIONS INFRASTRUCTURE LOAN PROGRAM

RURAL UTILITIES PROGRAMS

INVESTING IN RURAL AMERICA

The Telecommunications Infrastructure Loan Program improves the quality of life in rural America by providing investment capital, in the form of loans, for the deployment of rural telecommunications infrastructure. The U.S. Department of Agriculture (USDA) Rural Development's Utilities Programs finance infrastructure that enables access to a seamless, nationwide telecommunications network. The agency is committed to ensuring that rural areas have access to affordable, reliable, advanced telecommunications services, comparable to those available throughout the rest of the United States, to provide a healthy, safe and prosperous place to live and work. Through this program, more than \$13 billion has been invested in improved telecommunications services in rural communities nationwide.

EXPANSION OF ELIGIBILITY

On March 16, 2012, USDA's Rural Utility Service (RUS) implemented changes in the law that expanded eligibility under the Telecommunications Infrastructure Loan Program to include financing the construction of interoperable, integrated public safety communications networks in rural areas. The new eligibility criteria allow USDA to leverage public and private resources to speed the rural deployment of dual-use public safety/commercial wireless networks, address homeland security communications needs along America's rural international borders, and finance enhanced 911 capabilities for carriers and communities.

Advantages include the ability to precisely locate rural wireless 911 calls, contact 911 via text message, or send emergency responders photos or videos of crime scenes or accidents. The new regulation also gives RUS the ability to finance wireless upgrades for public safety and security.

The changes in the law also allow RUS to consider State or local 911 fees to be security for a loan and to make loans in certain circumstances to an emergency communication equipment provider where a State or municipality may be prohibited from incurring debt.

ELIGIBLE APPLICANTS

- Any entity eligible to borrow from the RUS;
- State or local governments;
- Indian Tribes (as defined in Section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b); or
- An emergency communications equipment provider that in the sole discretion of RUS offers adequate security for a loan where the State or local government that has jurisdiction over the proposed project is prohibited by law from acquiring debt.

HOW FUNDS CAN BE USED

Loans made or guaranteed by the Administrator of RUS will be made in conformance with the Rural Electrification Act of 1936, as amended, and 7CFR chapter XVII. RUS provides borrowers with specialized and technical accounting, engineering, and other managerial assistance in the construction and operation of their facilities when necessary to aid in the development of rural telephone service and to protect loan security. The RUS makes loans to:

- Furnish and improve telephone service in rural areas; and
- To finance facilities and equipment which expand, improve or provide:
 - o 911 access;
 - o Integrated interoperable emergency communications, including multiuse networks that provide commercial or transportation information services in addition to emergency communications services;
 - o Homeland security communications;
 - o Transportation safety communications; or
 - o Location technologies used outside an urbanized area.

For the purposes of this program, "rural areas" means any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within:

- A city, town, or incorporated area that has a population of greater than 20,000 inhabitants; or
- An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants.

TYPES OF LOANS AVAILABLE

- Cost-of-Money loans at current U.S. Treasury rates, depending on loan maturity at the time of each advance;
- Guaranteed loans, primarily from the Federal Financing Bank (FFB). Interest rates (Treasury rate plus 1/8 percent) vary depending on call options and the interim maturity rate selected at each advance, which may be as short as 90 days, with autorollover;
- Hardship loans at a fixed rate of 5 percent interest.

Current rates are published online at

<http://www.federalreserve.gov/releases/h15/Current/> (scroll down to "Treasury Constant Maturities"). To determine FFB rates, add 0.125 percent to the Treasury Constant Maturities figures.

FOR MORE INFORMATION

For more information or to obtain an application packet, visit the Telecommunications Infrastructure Loan Program website at <http://www.usda.gov/rus/telecom>

Additional information may also be obtained from the RUS General Field Representatives located throughout the country:

http://www.rurdev.usda.gov/UTP_GFRContact.html

APPLICATIONS

Applications are accepted through the RUS Telecommunications Infrastructure Loan Program.

An application guide will be made available soon which will provide information on the process for applying for this funding.