



THE SPIGOT

from the NORTH DAKOTA RURAL WATER SYSTEMS ASSOCIATION



NRWA™

USDA Water and Waste Water Loan and Grant Program

FACT SHEET

For more than 70 years, the USDA Water and Waste Water Loan and Grant program has been the most effective mechanism for funding the majority of the nation's rural water and waste water infrastructure.

Elimination of \$459 million of USDA Water Infrastructure funding will result in a loss of \$1.6 billion in rural water and waste construction projects.

Seventy percent of all funds provided for water infrastructure through USDA are loans and are paid back with interest to the federal treasury.

Currently, the USDA Water and Waste Water Loan and Grant Program has a negative subsidy, which means there is no cost to the federal government. In fact, the federal government makes money on this program.

The USDA Water and Waste Water Loan and Grant Program puts rural Americans first - 100 percent of USDA Water and Waste Water loans are awarded to rural systems to serve communities of 10,000 people or less.

Rural cities, towns, and water districts would have to compete against large cities for EPA SRF funding or pay big banks and Wall Street hedge funds high rates and fees to fund projects. The increased costs will be paid for out of the limited resources of families in rural communities.



There is no impediment to the private sector for investing in rural water and waste water systems right now. The private sector does not finance upgrades or aging infrastructure replacement in rural areas because the proposition lacks value and a profitable return on investment.

USDA Water Programs allocate funding based on rural communities (percentage of rural population, percentage of rural unemployment, and percentage of rural poverty) and seek to reduce the financial burden on them.

These communities generally include lower-income, working class families, and higher rates of retired residents and veterans on fixed incomes than urban areas.

Elimination of the USDA Water Infrastructure Program will disproportionately impact the most vulnerable rural areas in the country.

The last assessment conducted by the Office of Management and Budget (OMB) on the USDA Water and Waste Water Loan and Grant Program gave the program the highest rating possible. OMB found the program "set ambitious goals, achieved results, is well managed, and improves efficiency."

