

**Loan Program Title:** Electric Infrastructure Loan & Loan Guarantee Program

**Funding Agency:** Rural Development U.S Department of Agriculture

**What kind of funding is available?**

- Loan Guarantees up to 100% allow the Federal Financing Bank (FFB) to extend credit to qualified borrowers in rural areas. 100% of the construction work plan can be financed
- Hardship Loans may be used, at the sole discretion of the Rural Utilities Service, to assist applicants in rural areas that are either economically distressed or recovering from an unavoidable event, such as a natural disaster

**Brief Description:**

The electric program makes insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. The guaranteed loan program has been expanded and is now available to finance generation, transmission, and distribution facilities. The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

**Eligibility:**

Most retail or power supply providers serving qualified rural areas, including:

- State and local governmental entities
- Federally recognized Tribes
- Nonprofits including cooperatives and limited dividend or mutual associations
- For-profit businesses (must be a corporation or limited liability company)

**How May Funds be Used?**

Funds may be used to finance:

- Maintenance
- Upgrades
- Expansion
- Replacement of distribution, sub transmission and headquarters (service, warehouse) facilities
- Energy efficiency
- Renewable energy systems

**Loan Terms and Conditions**

- Generally, repayment may not exceed the useful life of the facility being financed, with a maximum repayment schedule of 35 years
- Power supply borrowers are also limited by the terms of their wholesale power contracts
- Loan Guarantees and Treasury Rate Loans: interest rates are fixed at the time of each advance based on rates established daily by the United States Treasury plus 1/8 of 1%
- Hardship Loans: interest rates are fixed at a rate of 5% for up to 35 years
- Borrowers must have legal authority to provide, construct, operate and maintain the proposed facilities or services

**CSU Campuses**

Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

- All facilities receiving federal financing must be used for a public purpose
- Partnerships with other federal, state, local, private and non-profit entities are encouraged

**Program Link:**

<https://www.rd.usda.gov/programs-services/electric-programs/electric-infrastructure-loan-loan-guarantee-program#overview>

**Program Contact Information:**

Phone: 202-720-1422

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