

USDA FARM LABOR HOUSING LOAN AND GRANT PROGRAM

The Farm Labor Housing Loan and Grant program of the United States Department of Agriculture's Rural Development Agency provides capital financing for the development of housing for **domestic** farm laborers. Housing constructed with these funds may not be used for H-2A workers who are not considered domestic farm laborers.

Loans are made to farmers, associations of farmers, family farm corporations, Indian tribes, nonprofit organizations, public agencies, and associations of farmworkers. Typically, loan applicants are unable to obtain credit elsewhere, but in some instances, farmers able to get credit elsewhere may obtain loans at a rate of interest based on the cost of federal borrowing. Grants are made to farmworker associations, nonprofit organizations, Indian tribes, and public agencies. Funds may be used in urban areas for nearby farm labor. (This is the only Rural Housing Service rural service area exception.)

Fund Uses

Farm Labor Housing loans and grants are provided to buy, build, improve, or repair housing for farm laborers, including persons whose income is earned in aquaculture (fish and oyster farms) and those engaged in on-farm processing. Funds can be used to purchase a site or a leasehold interest in a site; to construct housing, day care facilities, or community rooms; to pay fees to purchase durable household furnishings; and to pay construction loan interest.

Loans are for 33 years at 1% interest, except as noted above. Grants may cover up to 90% of development costs. The balance may be a Farm Labor Housing Program loan.. Funds may be used to build, buy, improve, or repair labor housing and to provide related facilities.

Application Processing

The District Director has the authority to approve loans to individuals of up to \$100,000, and the State Director can approve loans of up to \$400,000. Larger loans must receive prior approval from the National Office. The State Director can award grants with the prior approval of the National Office.

Indiana Housing Program Director (Contact for more information)

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INDIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Program info for the Indiana Community Development Block Grant is available at <http://www.in.gov/ihfa/comdev/allo/apps/s2h/s2h.htm>. Farmworker housing is a part of that program. Contacts vary by county/location within the state. Call Indiana Housing and Community Development Authority, formerly IHFA, at 317-232-7777 and they will direct you to the proper Allocation Analyst. It must be understood that all CDBG grants must be applied for by and are given to local units of government only and the farmer/agency is a sub recipient. Therefore the County Commissioners or Town Council are the actual applicants and parties wanting to use the program must convince these folks to provide the required support.

Both programs (Indiana CDBG and USDA) are quite complex, Rural Opportunities, Inc. (ROI) can provide FREE help to interested applicants to understand the proper process and procedures. ROI can assist with selecting which program would best fit the interested party's needs and capabilities. ROI can also assist the application and project development process. Contact ROI at 765-286-2162.