

## Don Adams

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**From:** Hysong, Pam - RD, Asheville, NC  
**Sent:** Monday, November 21, 2016 4:18 PM  
**To:** Don Adams  
**Subject:** RE: Cullowhee VFD USDA Loan

Don

Denise,

I am providing you excerpts of an email received last week from Jennifer Sass, Community Programs Specialist in the NC state office, sans the "administrator's message" mentioned in the first sentence.

*The Agency has received initial funding for Community Facilities. Please see the Administrator's message below for more detailed information.*

*The condensed version is that the initial funds received in the 2017 fiscal year were insufficient to meet the needs of the projects already approved by the National Office but not funded from FY16 funds. Of the 27 projects on hand totaling, \$907 million, 10 projects totaling \$415 million that had a leveraging component (funding committed from other lenders), were funded from the \$422 million available under the 2017 Continuing Resolution (CR). It is our intent to fund projects in date order based upon Authorization to Deliver Letter of Conditions (LOC) as additional funds become available with the passage of the FY 2017 budget or additional CR. You are not to deliver the LOC until funding is available. Our reasoning for delaying delivery of the LOC is due to the uncertainty regarding when funds will be available and the need to change interest rates as rates change each quarter.*

*The proposed budget for FY 2017 indicates direct loan and grant funding levels to remain similar to last year, although the National Office has indicated their intent to petition congress for a significantly greater allocation based upon the funding shortfall in FY 2016 and the strength of the application pipeline. It is obvious from the information provided that funding in FY 2017 will be delayed; therefore, it will be imperative that we provide realistic expectations for our applicants.*

*We want to continue to advocate and assist the communities we serve and process application to the point of obligation in a timely manner. It would be easy to become discouraged in this challenging time, but we still have many great opportunities to provide access to capital for much needed facilities for our rural NC communities. As always we will continue to pass along information as it is disseminated and please contact our office if you have any questions.*

So based upon the above information, it appears that some approved applications in Washington D. C. awaiting funding from this past summer were funded from the relatively small amount allocation received during the current Continuing Resolution (CR). These were chosen because the applications were fully approved and because they were leveraged (other funds from lenders committed to the project), thus reducing the need for Rural Development funds.

Currently we are prohibited from delivering any Letters of Conditions (the final step before loan funding) until loan funds are available from a long-term CR or passage of a FY 2017 budget because interests rates are subject to change quarterly and because our regulations do not authorize delivery of letters of conditions unless funds are immediately available.

It is my intention to have applications ready for funding when the allocation of Community Facilities funding is made available to the state of NC, but I cannot tell you when that will be. I apologize for this delay, but it is not something I have any control over.

Pamela H Hysong  
Area Director  
Rural Development  
United States Department of Agriculture  
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[www.rd.usda.gov](http://www.rd.usda.gov) | "Committed to the future of rural communities"

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**From:** Don Adams [mailto:donadams@jacksonnc.org]  
**Sent:** Friday, November 18, 2016 3:52 PM  
**To:** Hysong, Pam - RD, Asheville, NC <pam.hysong@nc.usda.gov>  
**Subject:** RE: Cullowhee VFD USDA Loan

Hello Ms. Hysong,

Just following up with this conversation left from September. The email below is the last correspondence that I have been involved in since the Jackson County Commissioners voted to allocated funds to the Cullowhee VFD to begin design on the project. I have just been in discussions with the Cullowhee VFD. Please let me know when you have time to discuss this issue. I just need to get caught up on where you guys are in the Federal Budget process and how it is affecting your programming.

Thanks,  
Don Adams  
Jackson County Manager  
828-631-2295

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**From:** Hysong, Pam - RD, Asheville, NC [mailto:pam.hysong@nc.usda.gov]  
**Sent:** Thursday, September 15, 2016 1:06 PM  
**To:** Don Adams  
**Subject:** RE: Cullowhee VFD USDA Loan

Mr. Adams,

The architectural fees are an eligible expense up to the amount approved in the architectural services agreement.