



## President's Message by Bennie Hutchins

We are all thankful, as 2021 reaches mid-term, that most sections of our country and our economy are appearing to get back to some degree of normalcy. I hope that is true with each of you and your families, farms, and/or businesses.

Unfortunately, with the information we had in March, we were forced to forgo our 2021 NARRC Annual Conference. Now we all look forward to 2022 and Virginia!

In the meantime, I encourage each of you to mark your calendar now for September 20, 2021 and make plans to participate in a Zoom meeting open to each of you.

- I know it may be a challenge, for me included, to conquer the technology, but we will be sending out specific instructions that should enable you to tune in with as little confusion and frustration as possible!
- This will be a time for us to reconnect and have some interchange of information. It will not be like a "real" in-person meeting, but it is the best we can do for now. Thanks to Sandra Tenorio and Texas for volunteering to set up and host this virtual event!

Thanks to Arkansas and Texas for sharing their history and program information. Take time to read their articles on pages 3 and 4 of this Newsletter. We welcome similar articles from other states for future newsletters. Steve Ferguson is always open for volunteers.

Sincerely,

**Bennie Hutchins, MS**  
**President, NARRC**

### 2021 Annual Conference Canceled

Based on the feedback from NARRC members, the 2021 Annual Conference has been canceled.

### Zoom Meeting September 20, 1:00 pm EDT

A voluntary Zoom meeting will be held to update NARRC members. Instructions to get connected via computer or telephone will be emailed after Labor Day to each state office contact person. They will need to distribute the instructions to their board and staff members. If you have questions, please send email to [steve.ferguson@iowafinance.com](mailto:steve.ferguson@iowafinance.com).

### Plans For Future Annual Meetings

- Flexibility has been the key when considering alternatives for future annual meetings. We greatly appreciate the extra efforts of the Virginia, Kansas, and Mississippi staffs as they have had to modify their plans several times.
- Virginia continues to work on details for the NARRC 2022 Annual Meeting to be held at the Omni Hotel in Richmond, VA September 16-21, 2022. The 50<sup>th</sup> Anniversary Committee is assisting Virginia for this unique conference.
- Kansas is planning to host the conference in Wichita, KS during September 15-20, 2023.
- Mississippi has agreed to move the dates to host the NARRC Annual Meeting in 2024; the dates and location in Mississippi are yet to be determined.
- A big THANK YOU to these three states for their flexibility and extra efforts.

**Current Board and Officers**

**President**

Bennie Hutchins, Mississippi  
 Email: benniefhutchins@gmail.com

**Vice President**

Tony Minicozzi, Arkansas  
 Email: tminicozzi@aref.org

**Secretary/Treasurer**

Steve Ferguson, Iowa  
 Email: steve.ferguson@iowafinance.com

**Past President**

Thomas Carter, Georgia  
 Email: thomas@gdaonline.com

**Directors:**

Mike Crosby, North Carolina  
 Email: mlcrosby@lowcountry.com

Cathy Oldham, Mississippi  
 Email: cgfranck1@yahoo.com

G. W. Neal, Texas  
 Email: gw\_neal@yahoo.com

Mr. David Reaves, Florida  
 Email: davreaves@windstream.net

Ms. Roberta Valdez, Utah  
 Email: robertavaldez@utah.gov

**Election of NARRC Board and Officers**

Because a 2021 Annual Meeting will not be held, the current board and officers have agreed to serve another year. In 2022, President Hutchins will appoint a Nominating Committee who will propose a slate of 2022-2023 officers and directors. The NARRC organizations are fortunate the current Board and Officers are willing to serve for a third consecutive year.

Anyone interested in serving on the board, starting in September 2022, are encouraged to contact Bennie Hutchins or Steve Ferguson, so their names can be provided to the future Nominating Committee.

<b>NARRC Cash Flow: 6-30-2020 To 5-31-2021</b>		
<b>Previous Balance</b>	<b>6-30-2020</b>	<b>\$69,138.46</b>
<b>Income</b>		
Dues – 24 states @ \$150	\$3600.00	
Interest	\$502.30	
<b>Total Income</b>	<b>\$4,102.30</b>	
<b>Expenses</b>		
Update website	\$270.00	
Supplies and printing	\$0.00	
<b>Total Expenses</b>	<b>\$270.00</b>	
<b>NET GAIN</b>		<b>\$3,832.30</b>
<b>NEW BALANCE</b>		<b>5-31-2021 \$72,970.76</b>

<b>ASSETS</b>		
Wells Fargo Checking-IA	\$17,796.70	
Wells Fargo Checking-TX	\$16,700.00	
GreenState CU M Mkt	\$10,085.61	
GreenState CU CD#1	\$10,935.72	
GreenState CU CD#2	\$17,452.73	
<b>TOTAL ASSETS</b>	<b>5-31-2021</b>	<b>\$72,970.76</b>

**Arkansas and Texas Updates**

A big **THANK YOU** goes out to the Arkansas Rural Rehabilitation Corporation and the Texas Rural Communities, Inc. because they contributed the special articles on the next two pages.

These are nice descriptions of the unique history and recent modifications their boards and staff have made to their programs to maintain quality programs in their communities. Job well done!

Thank you, **Tony Minicozzi, G.W. Neal, and Sandra Tenorio**, for sharing this information. We all can appreciate and learn from your experiences.

## Arkansas: From Here to There, and Back Again!

Written by Tony Minicozzi, Arkansas

Most NARRC State associations can trace their origins to a common event, namely, passage of F.D.R.'s, "Federal Emergency Relief Acts" (FERA) from 1933-35. The goal of these enactments was to mitigate the crippling economic impacts of the "Great Depression." Federal programs and funds flowed to both urban areas and rural communities; of course, NARRC has its roots in rural development programs.

By 1950, the U.S. Congress determined that these various state/quasi-federal agencies (along with their remaining assets) could best function if gifted back to the states and thereby "liquidated" from federal government management and control (public law 499 of the 81<sup>st</sup> Congress).

As a result of these transfers, the "Arkansas Rural Rehabilitation Corporation" (A.R.R.C.) became the "Arkansas Rural Endowment Fund" (AREF) by Act 27 of 1959 of the Arkansas General Assembly. Assets and obligations were also transferred from A.R.R.C. to AREF.

The overall mission of the AREF would remain focused on improving conditions for rural people, but the strategy would shift from agriculture to education. AREF's first duly appointed Board of Directors recognized that Arkansas had a very low college attendance rate along with a high poverty rate. Understanding the connection between the two, assistance became focused on student loans, (these actions were much needed and pre-date the Higher Education Acts of 1965.)

Over the next 50 years AREF would go on to assist approximately 20,000 young Arkansans in attaining a two- or four-year degree; among them, future governors, statesmen and business leaders: AREF also thrived. In 2010, Congress prohibited banks and most all other institutions (including AREF) from making student loans (which were guaranteed by the feds) going forward; henceforth, most all loans to students attending two and four-year institutions for higher learning would be made directly from the federal government to the students.

In one stroke of the pen, over 90% of AREF's student loan business was eliminated. Loans were still being made to proprietary schools to assist welders and other occupations that did not participate in the federal student loan program, but that small part of AREF's business would not sustain AREF and its employees for long.

AREF made its first farm loan in June 2012. Today, AREF holds a sizeable agricultural loan portfolio that represents about two-thirds of our "book value". Several of our NARRC sister states graciously gave their time and expertise to help Arkansas learn this business, particularly Kansas (Don Jacka), Texas (Sandra Tenorio), and South Carolina (Bill Stanley and Wesley Harris). The U.S.D.A / FSA was also of great assistance which we are very grateful.

After experiencing a measure of success with making farm loans, AREF is now experiencing a considerable drop-off in business. In addition, several of these loans are being paid off in full well ahead of schedule. Due to historically low interest rates, along with our policy of no pre-payment penalties, some of these loans are being lost to other lenders and lower rates. This is a good thing for farmers and ranchers, but also negatively affects our long-term bottom line. To address the issue, AREF has begun to offer its own refinance options to our customers. We will wait and see how this works out, but will offer the following questions for further discussion:

1. Does your association make real estate loans to farmers and ranchers in your state? If so, do you make fixed interest rate loans, variable rate loans or a combination?
2. Does your association charge pre-payment penalties if a loan is paid in full ahead of schedule?
3. Does your association offer refinance options to customers during times of decreasing interest rates? If so, what are your terms?

Perhaps a robust discussion of these and other issues at a future NARRC Annual Meeting would help all of our states!

## Texas Rural Communities Grant Program

Written by G.W. Neal and Sandra Tenorio, Texas

Texas Rural Communities, Inc. (TRC) provides farm and ranch loans and small business loans in rural areas. In addition, TRC sets aside ½ of one percent of its end-of-year assets for grants to non-profit organizations in rural Texas.

In 2020, amid the Covid-19 pandemic, the TRC Board amended its budget to double its grant awards for rural organizations. The application criteria were disbursed throughout the state with assistance from congressional offices as well as state senate offices. Local electric cooperatives also helped share the availability of the grants in their service areas.

TRC accepted almost 40 applications from non-profit organizations located in rural communities and awarded funds to 18 organizations.

Among the organizations receiving funds were food pantries, children’s camps, family violence shelters and education foundations. The grant amounts ranged from \$3,500 to \$5,500 each.

Some of our non-profit organizations are located in communities with a population of about 2,200 and one community had less than 800 people. Generally, rural non-profits have limited access to revenues from their local governments and depend on local fundraising.

Last year provided an extreme hardship to many organizations whose needs increased significantly. For example, food banks saw a notable increase in local need, including providing services for families who found themselves accessing food banks for the first time. Unfortunately, family violence organizations also experienced a pronounced increase in need during this time.

TRC Grant Committee works diligently to review each application. Many hours are spent considering the request of each application that will benefit many rural communities.

TRC expects to return to its regular budget in the upcoming fiscal year; however, the additional funds were the difference between organizations closing their doors last year or remaining open.

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- We look forward to connecting with everyone who wants to participate in the voluntary September 18, 2021 NARRC zoom meeting. Instructions to get connected via computer or telephone will be emailed after Labor Day to each state office contact person. They will need to distribute the instructions to their respective board and staff members.
- Please let us know if your staff or family experience some hardships as well as share your happy news.
- Everyone, have a great summer; please take care and stay safe.

**Thanks everyone for all your efforts assisting and supporting your rural communities!**