



## NEWS RELEASE

### COBANK JOINS USDA IN NEW PUBLIC-PRIVATE PARTNERSHIP FOCUSED ON RURAL INFRASTRUCTURE INVESTMENT

*Bank Commits \$10 Billion Of Balance Sheet Capacity To Support  
"U.S. Rural Infrastructure Opportunity Fund"*

**DENVER (July 24, 2014)** — CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and Farm Credit associations throughout the United States, announced today that it has joined with the U.S. Department of Agriculture in the formation of a new public-private partnership focused on infrastructure investment in rural America.

The new "U.S. Rural Infrastructure Opportunity Fund" will serve as a source of private-sector capital to partner with USDA on wide variety of infrastructure projects in rural communities. CoBank will act as anchor investor and has committed \$10 billion of balance sheet capacity to co-lend with the fund.

The fund was formally launched today in Washington, D.C. at a White House event focused on rural economic development featuring U.S. Secretary of Agriculture Tom Vilsack. "This fund represents a new approach to our support for job-creating projects across the country," Vilsack said. "USDA and other agencies invest in infrastructure through a variety of federal initiatives, but our resources are finite and there are backlogs of projects in many parts of the economy. We know where investment opportunities exist, so we are in a position to help promote these projects among investors. With new efforts like this we can move beyond existing programs and help encourage substantial private investment in projects that grow the economy and improve quality of life for millions of Americans."

"We're extremely pleased to join with USDA in this important initiative," said Robert B. Engel, CoBank's chief executive officer. "It will enhance access to capital for a wide array of vital infrastructure projects around the country and speed up the process of rural infrastructure improvements. It is completely aligned with our mission of service to rural America, and we believe it represents a meaningful long-term growth opportunity for CoBank and our partner organizations in the Farm Credit System. We look forward to seeing the benefits the fund will deliver to rural communities."

CoBank's co-investments with the fund are designed to complement existing government loan and grant programs. The fund's investment activities will include:

- Recruiting new sources of private capital to support rural infrastructure projects;
- Serving as a co-lender for borrowers financing projects where the government's program limits or resource constraints warrant the fund's involvement; and,
- Private lending in support of projects capable of meeting market terms.

Target investments will include rural community facilities, water and wastewater systems, rural energy projects and rural broadband. The fund will be managed by Capitol Peak Asset Management, an independent asset management firm. CoBank will have the opportunity to review and approve each transaction individually, on a case-by-case basis. Loans made by CoBank side-by-side with the fund will remain on CoBank's own balance sheet or be syndicated to Farm Credit institution partners, and will be

supplemented by additional capital provided by investors brought in by the fund manager, including pension funds, endowments, sovereign wealth funds and other institutional investors. CoBank may also act as the servicer of some loans made through the fund.

“The continued success of the U.S. rural economy and the improvement of rural communities depend on the strength of our infrastructure,” Engel said. “To remain competitive, we must develop innovative financing strategies that will ensure infrastructure investment keeps pace with the needs of agriculture and other key rural industries. We strongly believe this public-private partnership will facilitate the flow of capital to deserving projects and promote the health of rural America.”

### **About CoBank**

CoBank is a \$102 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's web site at [www.cobank.com](http://www.cobank.com).

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