

USDA Rural Development

Business & Industry Guaranteed Loan

Program Contacts: Curt Dixon
Karie Walker
Kris Pedro

This program offers loan guarantees to lenders for their loans to rural businesses.

- **Who may qualify for these guaranteed loans?**

- For-profit or non-profit businesses.
- Cooperatives.
- Federally-recognized Tribes.
- Public bodies.
- Individuals engaged or proposing to engage in a business.

- **How may guaranteed loan funds be used?**

- Eligible uses include (but are not limited to):
- Business conversion, enlargement, repair, modernization, or development.
- The purchase and development of land, buildings, and associated infrastructure for commercial or industrial properties.
- The purchase and installation of machinery and equipment, supplies or inventory.
- Debt refinancing when such refinancing improves cash flow and creates jobs.
- Business and industrial acquisitions when the loan will maintain business operations and create or save jobs.

Rural Energy for America Guaranteed Loan

Program Contacts: Curt Dixon
Karie Walker
Kris Pedro

The program provides guaranteed loan financing to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing.

- **How may the funds be used?**
- **Funds may be used for the purchase and installation of renewable energy systems, such as:**
 - Biomass (for example: biodiesel and ethanol, anaerobic digesters, and solid fuels).
 - Geothermal for electric generation or direct use.
 - Hydropower below 30 megawatts.
 - Hydrogen.
 - Small and large wind generation.
 - Small and large solar generation.
 - Ocean (tidal, current, thermal) generation.
- **Funds may also be used for the purchase, installation and construction of energy efficiency improvements, such as:**
 - High efficiency heating, ventilation and air conditioning systems (HVAC).
 - Insulation.
 - Lighting.
 - Cooling or refrigeration units.
 - Doors and windows.
 - Electric, solar or gravity pumps for sprinkler pivots.
 - Switching from a diesel to electric irrigation motor.
 - Replacement of energy-inefficient equipment.
 - Energy Efficiency Improvement applications must contain an Energy Audit, or Energy Assessment (depending on Total Project Costs) that complies with Appendix A to RD Instructions 4280-B
 - Agricultural producers may also use guaranteed loan funds to install energy efficient equipment and systems for agricultural production or processing.

Rural Business Development Grant (RBDG)

Program Contact: Bret Dixon

The purpose of the program is to promote economic development and job creation projects through the awarding of grant funds to eligible entities. Applications will compete in two separate categories, business opportunity grants and business enterprise grants, for use in funding various business and community projects that serve rural areas.

- **Who may apply for this program?**

Grants may be made to a Public Body/Government Entity, an Indian Tribe, or a Nonprofit entity primarily serving rural areas.

- **What is an eligible area?**

Rural Business Development Grant money must be used for projects that benefit rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more

- **What kind of funding is available?**

There is no maximum grant amount; however, smaller requests are given higher priority. There is no cost sharing requirement. Oregon typically receives around \$400,000 funding allocation each year (FY 24 only received \$304,410)

Rural Energy for America Program (REAP)

Program Contacts: **Serena Vigg**
Madeline Steen

The program provides grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing.

- **Who may apply for this program?**

- Agricultural producers
 - An entity directly engaged in production of agricultural products where at least 50 percent of their gross income coming from agricultural operations.
- Small businesses
 - Must be located in eligible rural area

- **What is an eligible area?**

- Projects must be located in rural areas with populations of 50,000 residents or less*.
 - Agricultural producers may submit projects to be located in non-rural areas as long as the project is associated with an on-site production operation.
- Grant can be up to 50% of the total project cost

Rural Economic Development Loan & Grant Program (REDLG)

Program Contacts: Kris Pedro
Curt Dixon

The Rural Economic Development Loan and Grant programs provide funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly. The utility is responsible for repayment to USDA.

Who may apply?

- To receive funding for a grant and/or loan an entity must be:
 - Current Rural Utilities Service (RUS), electric or telecommunication borrower,
 - Any former RUS borrower that has repaid or prepaid an insured, direct or guaranteed loan under the Rural Electrification Act,
 - Or any not-for-profit utility that is eligible to receive an insured or direct loan under such Act.
- **Maximum Grant Amount:** \$300,000 to establish the Revolving Loan Fund.
 - Up to 10 percent of grant funds may be applied toward operating expenses over the life of the Revolving Loan Fund.
- **Maximum Loan Amount:** \$2 million.

Rural Microentrepreneur Assistance Program(RMAP)

Program Contact: Faith Harris

Provides loans and grants to Microenterprise Development Organizations (MDOs) to:

- To help microenterprises startup and growth through a Rural Microloan Revolving Fund.
- Provide training and technical assistance to microloan borrowers and micro entrepreneurs.

Who may apply for this program?

- The following are eligible to be a Microenterprise Development Organization:
 - Nonprofits.
 - Federally-recognized tribes.
 - Institutions of higher education.
- The following are eligible to apply for a loan from the MDO as an ultimate recipient:
 - Businesses located in an eligible area with 10 or fewer full-time employees.
- **What are the loan terms?**
 - Maximum term is 20 years.
 - Two-year payment deferral.
 - Must establish a loan loss reserve fund.
- **What terms are required on loans to ultimate recipients?**
 - Up to \$50,000.
 - Fixed interest rate.
 - Limited to 75 percent of project cost.

Intermediary Relending Program (IRP)

Program Contact: Faith Harris

This program provides 1 percent low-interest loans to local lenders or “intermediaries” that re-lend to businesses to improve economic conditions and create jobs in rural communities.

- **Who may apply to be an intermediary lender?**

- Nonprofits and cooperatives.
- Federally-recognized tribes.
- Public agencies.
- Cooperatives

- **How much funding is available to intermediaries?**

- Up to \$1 million
- Total outstanding debt from the IRP, to a single intermediary, may not exceed \$15 million.

- **What are the terms for the intermediary lender?**

- The interest rate is fixed at 1 percent.
- The maximum term is 30 years.
- interest-only payments may be permitted for the first three years.
- In first 6 months after closing \$250,000 or greater of loan funds must be used.

Thank you.

Mandie Cole

Rural Business Cooperative Program Director

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