

**EDA REGULATIONS: PART 309 REDISTRIBUTION OF INVESTMENT ASSISTANCE  
COMPARISON OF 1999 EXISTING RULES VS 2005 INTERIM-FINAL RULES**

CURRENT FEDERAL REGULATIONS (1999)	INTERIM FINAL RULES (2005)	ANALYSIS / COMMENTS
	<p><b>PART 309 REDISTRIBUTIONS OF INVESTMENT ASSISTANCE</b>            Sec. 309.1 Redistributions under parts 303, 305 and 306.            309.2 Redistributions under part 307.  <b>AUTHORITY:</b> 42 U.S.C. 3154c; 42 U.S.C 3211; Department of Commerce Delegation Order 10-4.</p> <p><b>§ 309.1 Redistributions under parts 303, 305 and 306.</b>            (a) General. Except as provided by paragraph (b) of this section, a Recipient of Investment Assistance under parts 303, 305 or 306 of this chapter may directly expend such Investment Assistance or, with prior EDA approval, may redistribute such Investment Assistance in the form of a subgrant to another Eligible Recipient that qualifies for Investment Assistance under the same part of this chapter as the Recipient, to fund required components of the scope of work approved for the Project. All subgrants made pursuant to this section shall be subject to the same terms and conditions applicable to the Recipient under the original Investment Assistance award and must satisfy the requirements of PWEDA and of this chapter.            (b) Exception. A Recipient may not make a subgrant of Investment Assistance received under parts 303 or 305 of this chapter to a for-profit entity.</p>	<p><b>New section is added to implement provisions of 2004 reauthorization act that specifically allow grantees to subcontract for services and subgrant EDA assistance, if appropriate and eligible.</b></p>

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	<p><b>§ 309.2 Redistributions under part 307.</b>            (a) A Recipient of Investment Assistance under part 307 of this chapter may directly expend such Investment Assistance or, with prior EDA approval, may redistribute such Investment Assistance in the form of:</p> <p>(1) A subgrant to another Eligible Recipient that qualifies for Investment Assistance under part 307 of this chapter; or</p> <p>(2) Pursuant to part 307, subpart B, a loan or other appropriate assistance to non-profit and private for-profit entities.</p> <p>(b) All redistributions of Investment Assistance made pursuant to this section shall be subject to the same terms and conditions applicable to the Recipient under the original Investment Assistance award and must satisfy the requirements of PWEDA and of this chapter.</p>	