



## INTERMEDIARY RELENDING PROGRAM (IRP)

The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities. Intermediaries are encouraged to work in concert with State and regional strategies, and in partnership with other public and private organizations that can provide complimentary resources.

### **How much are the loans?**

An intermediary may borrow up to \$750,000 under its first financing and up to \$1 million at a time thereafter. Total aggregate debt is capped at \$15 million. In recent years, loans to intermediaries have been capped at \$750,000. Ultimate recipients may borrow up to \$250,000.

### **What organizations are eligible to become an intermediary?**

Private non-profit corporations, public agencies, Indian groups, and cooperatives with at least 51 percent rural membership aimed at increasing income for producer members or purchasing power for consumer members may apply for intermediary lender status.

**Who can apply for loan funds from the intermediaries?** The following entities may apply for loans from intermediary lenders provided they owe no delinquent debt to the Federal Government:

- U. S. citizens or individuals who have been legally admitted to the U.S.
- Those located in a rural area defined as an area with a population of 25,000 or less
- An entity that is able to incur debt, give security, and repay the loan
- A corporation, partnership, LLC, individual, non-profit corporation, public body.

### **What types of projects are eligible?**

IRP funding may be used for a number of purposes but to be eligible, ultimate recipients must be located in a rural area. Under the IRP, a rural area is any area that is not inside a city with a population of 25,000 or more according to the latest decennial census. Some examples of eligible projects are:

- The acquisition, construction, conversion, enlargement, or repair of a business or business facility, particularly when jobs will be created or retained.
- The purchase or development of land (easements, rights of way, buildings, facilities, leases, materials)
- To purchase equipment, leasehold improvements, machinery, supplies
- Start up costs and working capital

## INTERMEDIARY RELENDING PROGRAM (IRP) Cont'd

### What are eligible project types (cont'd)?

- Pollution control and abatement
- Transportation Services
- Feasibility studies
- Hotels, motels, B&Bs, convention centers

### How to Apply

To apply for funding for the Intermediary Relending Program, please contact your [Rural Development State Office](#).

### Availability of Funds

Each year, Congress provides program funding as called for in the Federal Budget. Fiscal Year funding levels will be made available as soon as possible after the beginning of each Fiscal Year.



## **RURAL BUSINESS ENTERPRISE GRANTS (RBEG) PROGRAM**

The RBEG program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund business incubators, and help fund employment related adult education programs. To assist with business development, RBEGs may fund a broad array of activities.

### **How much are the grants?**

There is no required maximum level of grant funding. However, smaller projects are given higher priority. Generally grants range \$10,000 up to \$500,000

### **Who is eligible?**

Rural public entities (towns, communities, State agencies, and authorities), Indian tribes and rural private non-profit corporations are eligible to apply for funding. At least 51 percent of the outstanding interest in any project must have membership or be owned by U.S. citizens or resident aliens.

### **Define Rural**

Rural is defined as any area other than a city or town that has a population of greater than 50,000 and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census.

### **What types of projects are eligible?**

The RBEG program is a broad based program that reaches to the core of rural development in a number of ways. Examples of eligible fund use include: Acquisition or development of land, easements, or rights of way; construction, conversion, renovation of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities; pollution control and abatement; capitalization of revolving loan funds including funds that will make loans for start ups and working capital; training and technical assistance; distance adult learning for job training and advancement; rural transportation improvement; and project planning. Any project funded under the RBEG program should benefit small and emerging private businesses in rural areas. Small and emerging private businesses are those that will employ 50 or fewer new employees and have less than \$1 million in projected gross revenues.

### **How to Apply**

To apply for funding for the RBEG program, please contact your [Rural Development State Office](#).

### **Availability of Funds**

Each year, Congress provides program funding as called for in the Federal Budget. Fiscal Year funding levels will be made available as soon as possible after the beginning of each Fiscal Year.



## RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT (REDLG)

The REDLG program provides funding to rural projects through local utility organizations. Under the REDLoan program, 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 the Agency. Under the REDGrant program, USDA provides grant funds to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund for projects that will create or retain rural jobs. When the revolving loan fund is terminated, the grant is repaid to the Agency.

### Who is eligible?

To receive funding under the REDLG program (which will be forwarded to selected eligible projects) an entity must:

- Have borrowed and repaid or pre-paid an insured, direct, or guaranteed loan received under the Rural Electrification Act or,
- Be a not-for-profit utility that is eligible to receive assistance from the Rural Development Electric or Telecommunication Program
- Be a current Rural Development Electric or Telecommunication Programs Borrower

### What types of projects are eligible?

REDLG grantees and borrowers pass the funding on to eligible projects. Examples of eligible projects include:

- Capitalization of revolving loan funds
- Technical assistance in conjunction with projects funded under a zero interest REDLoan
- Business Incubators
- Community Development Assistance to non-profits and public bodies (particularly job creation or enhancement)
- Facilities and equipment for education and training for rural residents to facilitate economic development
- Facilities and equipment for medical care to rural residents
- Telecommunications/computer networks for distance learning or long distance medical care

### How to Apply

To apply for funding for the REDLG program, please contact your [Rural Development State Office](#).

### Availability of Funds

During FY 2011, approximately \$33 million was available for loans.



## **RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM (RMAP)**

**Purpose:** To provide direct loans, technical assistance grants, and technical assistance-only grants to Microenterprise Development Organizations (MDOs) to support the development and ongoing success of rural microentrepreneurs and microenterprises in rural areas.

**Loans:** Microlender providing fixed interest rate microloans to rural microentrepreneurs for startup and growing microenterprises.

•Loan size to a microlender up to \$500,000.

### **Eligible Microloan Purposes**

Agency loan funds may be used to make microloans for any legal business purpose not identified as an ineligible purpose. Microlenders may make microloans for qualified business activities and expenses including, but not limited to:

- Working capital
- The purchase of furniture, fixtures, supplies, inventory or equipment;
- Debt refinancing;
- Business acquisitions; and
- The purchase or lease of real estate that is already improved and will be used for the location of the subject business only, provided no demolition or construction will be accomplished with the program funding. Neither interior decorating, nor the affixing of chattel to walls, floors, or ceilings are considered to be demolition or construction.

**Grants:** Microlender technical assistance grants to Microlenders participating in RMAP with an active rural microloan revolving fund or applying to participate under RMAP. Once an MDO receives an RMAP loan and grant, grant funding will continue annually.

- Technical assistance grants to a microlender will be made based on a percentage of the outstanding microloans owed to the microlender under this program.
- Technical Assistance-only grants will not exceed \$130,000 (FY 2010)

### **Eligible Grant Purposes:**

- TA Grant** – provide technical assistance and training to eligible microentrepreneurs and microenterprises.
- TA-Only Grant** – provided to eligible MDOs that seek to provide business-based technical assistance and training to eligible microentrepreneurs and microenterprises. (*Entities receiving microlending TA Grants will not be eligible to apply for TA-Only grants.*)

### **National Office**

Rural Microenterprise Assistance Program,  
Business Programs, Specialty Programs Division,  
USDA Rural Development, Room 6868  
South Agricultural Building, Stop 3225  
1400 Independence Avenue, SW.,  
Washington, DC 20250-3225,  
(202) 720-1400.

# RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM (RMAP) Cont'd

## **MDO Eligibility:**

- Must meet definition of an MDO
  - Non-Profit entity; or
  - Federally recognized Indian tribe; or
  - A public institution of higher education
- Citizens of the United States and its territories
- Legal authority and responsibility
- For potential microlenders: the applicant must also provide evidence that it:
  - has demonstrated experience in management of a revolving loan fund; or
  - Certifies that is, or its employees, have received education and training from a qualified microenterprise development training entity so that the applicant has the capacity to manage such a revolving loan fund; or
  - Is actively and successfully participating as an intermediary lender in good standing under the U.S. Small Business Administration (SBA) Microloan Program or other similar loan programs as determined by the Administrator.

## **Microenterprise/ Microentrepreneur Eligibility:**

- Business located in a rural area that employs not more than 10 FTEs and is seeking a loan(s) of not more than \$50,000.
- A sole proprietorship/business entity located in a rural area
- Inadequate credit elsewhere

**Timeframe:** Applications must be received by July 16, 2010 for the 1<sup>st</sup> round of funding, thereafter quarterly.

**Applications:** Applicants must submit an original complete application to the USDA Rural Development National Office and provide a copy of the application package to the USDA Rural Development State Office in the state where the applicant's project is located.

## Rural Development Rural Business Service Reference Page

1. <http://www.rurdev.usda.gov/StateOfficeAddresses.html>
2. RBS Instructions and Regulations
  - a. [http://www.rurdev.usda.gov/rd\\_instructions.html](http://www.rurdev.usda.gov/rd_instructions.html)
  - b. Intermediary Relending Program (4274-D)
  - c. Rural Business Enterprise Grant Program (1942-G)
  - d. Rural Economic Development Loan and Grant Program (4280-A)
  - e. Rural Microentrepreneur Assistance Program (4280-D)

## 2010 FISCAL YEAREND RESULTS CHART

BUSINESS PROGRAM NAME	ACTUAL NUMBER OF LOANS AND GRANTS	DOLLARS OBLIGATED	ACTUAL NUMBER OF JOBS SAVED/ CREATED	ACTUAL SMALL RURAL BUSINESSES (Farmers/ Ranchers) ASSISTED *
Intermediary Relending Program (IRP)	57	\$ 33,534,072	25,653	165
Rural Business Enterprise Grants (RBEG)	590	\$ 42,312,726	29,591	17,411
RBEG - ARRA	48	\$ 4,180,575	1,156	345
Rural Economic Development Loans (REDL)	38	\$ 21,925,572	2,148	38
Rural Economic Development Grants (REDG)	33	\$ 9,036,570	2,518	28
Rural Microentrepreneur Assistance Program (RMAP) Loans	63	\$ 24,982,500	686	316
RMAP Grants ****	74	\$ 6,645,849	602	248
RMAP - TA Grants only	12	\$ 1,289,500	103	10