



Committed to the future of rural communities.

Rural Business and Cooperative Programs

Rural Business Enterprise Grant (RBEG) Program

What is the Purpose?

The purpose of the RBEG Program is to support the development of small and emerging private business enterprises in rural areas (less than 50,000 population). A small and emerging private business enterprise is any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues.

Who is Eligible to Apply?

Public bodies (States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations and other Federally recognized Indian Tribal groups in rural areas) and private non-profit corporations serving rural areas.

What are the Priority Selection Factors?

The following factors are used to rate eligible applications: Population; Economic conditions (local unemployment rate and median household income); Experience; Evidence of small business development; Evidence of commitment of funds from non-federal funding sources; Evidence loans are needed for revolving loan funds; Evidence of jobs to be created and/or saved; Project consistent with existing economic development plan covering area; and Grant size.

What Types of Projects are Eligible?

Acquisition and development of land, easements, and rights-of-way; Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities; Loans for startup operating cost and working capital; Technical assistance for private business enterprises; Reasonable fees and charges for professional services necessary for planning and development; Refinancing of debts incurred when arrangements cannot be made with the creditors to modify existing terms; Financial assistance to third parties through a loan; Training, when necessary, in connection with technical assistance; Production of television programs to provide information on issues of importance to farmers and rural residents; and Create, expand, and operate rural distance learning networks or rural learning programs.

How Are Applications Made?

Applications may be obtained and submitted at Rural Development State, Area, or Local Offices. Applications are selected for funding on a statewide competitive basis. Applications not selected for State allocated funding may compete for National Office reserve funds.

For Additional Information Contact:

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