



USDA RURAL DEVELOPMENT – OREGON BUSINESS & COOPERATIVE PROGRAMS

USDA Program	Purpose <i>What is the program's goal?</i>	Program Type <i>How does it work?</i>	Eligible Applicants <i>Who may apply?</i>	Eligible Areas <i>What is rural?</i>	Authorized Purposes <i>How may funds be used?</i>	Typical Amount of Assistance	Rates & Terms <i>Subject to change</i>	Key to Success	When to Apply
B&I Guarantee Business & Industry Guaranteed Loan	Provide an <u>incentive for business lending</u> that will <u>save & create jobs</u> (typically for larger businesses)	USDA <u>guarantees</u> business loans made by commercial lenders	Banks, credit unions and other commercial lenders who make loans to rural businesses	Areas outside the urbanized edge of cities of >50,000 population	The loans guaranteed can be used for real estate, equipment, working capital & refinancing – for nonfarm businesses	80% loan guarantees for loans of \$200,000 to \$5 million; 70% on loans up to \$10 million	Negotiated by business & lender; fixed or variable rates, typically near prime (no balloons)	The program is <u>lender-driven</u> ; have a bank willing to make the loan (USDA only guarantees it); business with strong equity & collateral	Year-round
IRP Intermediary Relending Program	Capitalize <u>locally-run revolving loan programs</u> for small businesses unable to qualify for bank financing	USDA loans money to a local revolving loan fund for relending to nonfarm businesses	Nonprofit groups, tribes & public bodies who will make loans to rural businesses	Unincorporated areas & ≤25,000 population cities	The loan is used to set up a loan program that makes business loans for nonfarm, rural businesses	\$200,000 - \$750,000 loans to re-lenders to make loans up to \$150,000 to businesses	1%, 30 years to re-lender to make loans at near-prime to rural businesses	Funding is limited, so these loans tend to go only to loan funds that will serve the neediest areas	Year-round with a quarterly competition at the national level
RBEG Rural Business Enterprise Grant	Support economic development projects that will <u>assist specific small & emerging private businesses</u>	Grants to local economic development groups to assist private business development	Nonprofit economic development groups, tribes, & public bodies (cities/counties)	Areas outside the urbanized edge of cities of >50,000 population	To do a <u>feasibility study</u> , provide <u>technical assistance</u> to businesses, provide <u>job training</u> , set up a <u>revolving loan fund</u> , or develop <u>infrastructure</u>	<\$25,000	Grant	Limited funding; tends to go only to neediest areas; cannot be used for regional planning or business attraction	Once-a-year competition at state level
RBOG Rural Business Opportunity Grant	Support <u>economic development planning</u>	USDA makes grants to support general economic growth & planning	Nonprofit economic development groups, tribes and public bodies	Unincorporated areas & cities with <50,000 population	<u>Regional planning, area economic strategy development, technical assistance</u> for businesses & <u>local leadership development</u>	<\$50,000	Grant	Limited funding; grants tend to go only for projects helping the neediest areas	Once-a-year competition at national level
VAPG Value-Added Producer Grant	Support producers in <u>ventures that will increase the return on their agricultural commodities</u>	USDA provides matching grants for value-added ventures	Farmers, ranchers, foresters and fishers; coops; producer groups & joint ventures	No rural area requirement	Grants for planning or working capital to operate value-added ventures; minimum 1:1 match required	≤\$100,000 (planning); ≤\$300,000 (working capital)	Grant	Application requirements are complex, so consult with USDA well in advance of application deadline	Once-a-year competition at national level
SSDPG Small Socially Disadvantaged Producer Grant	Foster business <u>success of coops of small, minority agricultural producers</u>	USDA makes grants for technical assistance projects	Coops with ≥75% women or minority members of small, minority producers	Areas outside the urbanized edge of cities of >50,000 population	<u>Feasibility or market studies, product improvement, training or legal advice.</u>	≤\$175,000	Grant	Preference for experience & projects that help the most farmers & smaller, poorer communities	Once-a-year competition at national level
RCDG Rural Cooperative Development Grant	Support centers to assist cooperatives	USDA makes grants to centers for rural cooperative development	Universities and nonprofit economic development groups	Outside the urbanized edge of cities of >50,000	To operate centers that assist rural cooperatives	\$250,000 – ≤\$300,000	Grant	Limited funding; grants tend to go to projects helping the neediest areas	Once-a-year competition at national level

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BUSINESS & COOPERATIVE PROGRAMS (CONTINUED)

USDA Program	Purpose	Program Type	Eligible Applicants	Eligible Areas	Authorized Purposes	Typical Amount of Assistance	Rates & Terms	Key to Success	When to Apply
REAP Grants Renewable Energy & Efficiency Projects	Financing for <u>renewable energy generation systems or energy efficiency improvements</u>	USDA makes grants to small, rural businesses & farmers	Rural small businesses (using SBA definition) & agricultural producers	Areas outside the urbanized edge of cities of > 50,000 population	Renewable energy systems (wind, solar, biomass, biofuel, digesters, geothermal & micro-hydro) or energy efficiency installations	< \$20,000 for renewable or efficiency (25% of project cost or less)	Grant	This is a complex application, so consult with USDA well in advance of deadline; grants ≤ \$20,000 are strongly favored	Applications invited annually in the spring; award via national competition
REAP Loan Guarantees Rural Energy Guaranteed Loan	Provide <u>incentive for business lending for renewable energy or efficiency improvements</u>	USDA <u>guarantees</u> business loans made by banks to small businesses & agricultural producers	Banks and other commercial lenders who make loans to rural businesses	Areas outside the urbanized edge of cities of >50,000 population	The loans guaranteed can be used for the purchase & installation of renewable energy systems or efficiency improvements	85-60% loan guarantees on \$5,000 to \$25MM loans	Negotiated by business & lender; fixed or variable rates, usu. near prime (no balloons)	<u>Lender-driven</u> : must have a bank loan that USDA guarantees; may be combined with a REAP grant	Year-round
REAP Grants Feasibility Studies	Pays part of the cost of a feasibility study for a renewable energy project	USDA makes grants to small rural businesses & farmers	Rural small businesses (using SBA definition) & agricultural producers	Same as REAP grants above	Grants to help cover the cost of obtaining a feasibility study from an independent consultant	≤ \$50,000	Grant	Competitive national awards	Once-a-year competition at national level
REAP Grants Energy Audit or Renewable Energy Assistance	Offsets cost of providing energy project technical assistance to farmers & small rural businesses	Grants to programs providing rural businesses with energy audits or other energy technical help	State or local governments, tribes, colleges, or electric coops & publicly owned utilities	Same as REAP grants above	To defray part of the cost of conducting detailed energy studies for rural businesses (business is expected to pay 25% of cost)	≤\$100,000	Grant	Very competitive; experienced multi-county or statewide programs favored; cost per audit of ≤\$2,000	Once-a-year competition at national level
\$9005 Advanced Biofuel Payment	Provide an <u>incentive payment to producers of advanced biofuels</u>	USDA makes a payment based on production level of the producer	Rural producers of non-cornstarch ethanol or biodiesel	Producers outside urban edge of cities >50,000	Incentive payment may be used by the producer as desired	Funds are shared among all enrolled producers per BTU	Incentive payment	Enroll in the program during the annual sign-up period	Once-a-year sign-up at the State Office level.
RED Loan Rural Economic Development Loan	Promote specific <u>community or business development projects</u> improving the local economy	Loans to certain utilities that are in turn reloaned for local community or business projects	Electric & telephone utilities financed by USDA's Rural Utilities Service	Outside the urbanized edge of cities of >50,000 population	The RED Loan is reloaned by the coop to a nonfarm business for real estate & equipment	\$1 million loan maximum	Loan is zero%, 10 years; reloaned at zero%, 10 years	Requires a community-oriented utility coop willing to borrow & relend on the project's behalf	Year-round with a quarterly competition at national level
RED Grant Rural Economic Development Grant	Promote specific <u>community development projects</u> to improve the rural economy	Grants to certain utilities to capitalize a revolving loan fund for community projects	Electric & telephone utilities financed by USDA's Rural Utilities Service	Areas outside the urbanized edge of cities of >50,000 population	Grant is used to set up a <u>revolving loan fund</u> ; at first, loans must be for community, education or health care projects	\$300,000 grant maximum	Grant.	Requires a community-oriented utility coop willing to oversee a loan fund; requires 20% match	Year-round with a quarterly competition at national level

More information on all of these programs is online at: www.RuralOregon.biz. Or, contact a specialist directly:

All Programs	<i>Statewide</i>	Martin Zone	Acting Program Director	503-414-3361	Martin.Zone@or.usda.gov
Energy Programs	<i>Statewide</i>	Don Hollis	Energy Coordinator	541-278-8049 x129	Don.Hollis@or.usda.gov
IRP, Revolving Loans	<i>Statewide</i>	Paul Cormier	Program Specialist	503-414-3365	Paul.Cormier@or.usda.gov
VAPG, Coops, RCDG	<i>Statewide</i>	Martin Zone	Program Specialist	503-414-3361	Martin.Zone@or.usda.gov
Roseburg Area	<i>Coos, Curry, Douglas, Jackson & Josephine Counties</i>	Deanna Quimby	Area Specialist	541-673-0136 x120	Deanna.Quimby@or.usda.gov
Corvallis Area	<i>Benton, Clackamas, Clatsop, Columbia, Lane, Linn, Lincoln, Marion, Multnomah, Polk, Tillamook, Washington & Yamhill Counties</i>	Tom Simonson	Area Specialist	541-750-7051	Tom.Simonson@or.usda.gov
Redmond Area	<i>Crook, Deschutes, Harney, Hood River, Jefferson, Klamath, Lake, Sherman & Wasco</i>	Curt Dixon	Area Specialist	541-923-4358 x125	Curt.Dixon@or.usda.gov
Pendleton Area	<i>Baker, Gilliam, Grant, Malheur, Morrow, Umatilla, Union, Wallowa and Wheeler</i>	LaDonn McElligott	Area Specialist	541-963-4178 x103	LaDonn.McElligott@or.usda.gov