

# Power point slides from a presentation dated 7-25-08

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# Section 6022

## Rural Micro Program Loans

- Direct loan program to capitalize revolving loan funds
- 20 year fixed rate term on loans from Agency to Microenterprise Development Organization (MDO) Intermediary
- Minimum interest rate of at least 1%
- MDO Intermediary must maintain a reserve fund of at least 5% of the outstanding balance of the Agency funded revolving loan fund.
- Repayment may be deferred for up to 2 years

# Section 6022

## Rural Micro Program Grants

- **Grants to Support Microenterprise Development**
  - Grants to MDOs for training, operational support, business planning, market development assistance, and other related services to rural micro-entrepreneurs or other such activities as deemed appropriate
  - Emphasis on MDOs that serve micro-entrepreneurs in rural areas that have suffered significant outmigration; are of varying sizes; and, serve racially and ethnically diverse populations
- **Grants to Assist Microentrepreneurs**
  - Grants to MDOs to provide marketing, management, and other technical assistance to micro-entrepreneurs that have received a microloan under the program or are seeking a loan under the program.
  - Maximum grant to equal not more than 25% of the total outstanding balance of microloans made under the program

# Section 6022

## Rural Micro Program Administrative

- Administrative Expenses of not more than 10% of grant funding received
- Federal Share of a project not to exceed 75%
- Match of 15% required against grants

## Rural Micro Program Funding

- Mandatory:
  - \$4 Million per year for FYs2009-2011 until expended
  - \$3 Million for FY 2012
- Discretionary:
  - \$40 Million for FY2009-2012

