

Business - Cooperative Programs www.rurdev.usda.gov/ia/rbs.html

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Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Guarantee Loans (G-B&I)	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Business applies through Federal or State Chartered banks, credit unions, savings & loan associations.	Most legal business purposes including acquisition, start-up and expansion of businesses that create rural employment.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized area.	Loan guarantee	Lender and borrower negotiate terms Interest rate tied to published rate that may change no more often than quarterly.
Rural Business Enterprise Grants (RBEG)	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies; private nonprofit corporations and federally recognized Native American tribal groups apply to Rural Development Area Offices	Buy & develop land, construct buildings, plants, equipment, access streets & roads, parking areas, utility & service extensions, rural distance learning networks, & establish a revolving loan.	All areas except cities of more than 50,000 and their contiguous and adjacent urban or urbanizing areas.	Grant	When grant funds are used for revolving loan fund (RLF) the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Intermediary Relending Program Loans (IRP)	Finance business facilities and community development projects in rural areas.	Public bodies, nonprofit corporations, Native American tribes, and cooperatives apply to Rural Development Area Offices.	Community development projects, establishment or expansion of businesses, creation or saving rural jobs.	Rural areas and incorporated places with populations of less than 25,000.	Direct loan	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Economic Development Loans and Grants (REDLG)	Finance economic development and job creation in rural areas.	RUS financed electric and telephone utilities and non-profit utilities eligible for RUS loans can apply to Rural Development Area Offices.	Business startup or expansion projects that create rural jobs.	Rural areas	Direct loan and revolving loan fund grant.	The intermediary, electric or telephone utilities, make loans to profit or non-profit business and public bodies for rural economic development and/or job creation projects. 0% Loans - 10 yrs.
Rural Cooperative Development Grants (RCDG)	Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.	Nonprofit corporations and institutions of higher education apply directly to Rural Development National Office.	Establish operating centers for development of rural cooperatives.	All areas.	Grant	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis. Some funds reserved for applicants that focus on assistance to small, minority producers through their cooperative businesses (governing board or membership at least 75 % minority).
Value-Added Producer Grant Program (VAPG)	To assist independent agricultural producers enter into value-added activities.	Independent producers, farmer and rancher coops, agricultural producer groups, & majority-controlled producer-based business ventures apply to RD State Office.	Funds can be used for Planning purposes such as conducting feasibility studies or feasibility business plans or it can be used as working capital to help start the operations of a venture.	All areas	Grant	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. There is a \$1 for \$1 matching requirement.
Rural Business Opportunity Grant (RBOG)	Finance technical assistance for business development planning in rural areas.	Public bodies, N/P corps, Indian Tribes and cooperatives with members that are primarily rural residents apply to RD Area Offices.	Technical assistance, Leadership training, establish Business support centers, Economic development plans.	All areas except cities of more than 50,000 & the Contiguous & adjacent urbanized area.	Grant	Must be completed within 2 years after project has begun.
Section 9007 Rural Energy for America Program (REAP)	To reduce energy costs and consumption	Ag producers and small businesses for RE and EE projects and feasibility studies. Energy audit & renewable energy assistance applicants are public bodies, institutions of higher learning, REC's & others.	Renewable energy projects, energy efficiency projects, stand alone feasibility studies, and energy audit & renewable energy assistance.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized area	Grants, and loan guarantees	Grant - 25% of eligible project costs- \$2,500 min & \$500,000 max renewable energy - \$1500 min & \$250,000 max energy efficiency. G-loans and combos up to- 75% eligible project costs. Maximum G-loan \$25 million

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<p>Section 9003 Biorefinery Assistance</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To assist in the development of new and emerging technologies for the development of advanced biofuels by providing guaranteed loans for the development and construction of commercial scale biorefineries or for the retrofitting of existing facilities using eligible technology.</p>	<p>Individual, entity, Indian tribe, or unit of State or local government, including a corporation, farm cooperative, farmer cooperative organization, association of agricultural producers, National Laboratory, institution of high education, rural electric cooperative, public power entity, or consortium of any of those entities.</p>	<p>Grants for the development and construction of demonstration scale biorefineries to demonstrate the commercial viability of 1 or more processes for converting renewable biomass to advanced biofuels and guarantees to fund the development, construction, and retrofitting of commercial-scale biorefineries using eligible technology.</p>	<p>50,000 or less and not in an urbanized area</p>	<p>Grants and Guaranteed loans authorized by statute but information released to date has only been for Guaranteed loan funds</p>	<p>If loan amount is equal to or less than \$80 million, the maximum guarantee is 80% of principal and interest due – if loan amount is greater than \$80 million but less than \$125 million, the maximum guarantee is 70% of the amount in excess of \$80 million – if the loan is equal to or greater than \$125 million, the maximum guarantee is 60% of the entire loan amount. Interest rate is negotiated and length can be no more than 20 yr.</p>
<p>Section 9004 Repowering Assistance</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To assist biorefineries to replace fossil fuels used to produce heat or power to operate the biorefineries by making payments for the installation of new systems that use renewable biomass or the new production of energy from renewable biomass</p>	<p>Biorefineries in existence on the date of enactment of the 2008 Farm Bill</p>				
<p>Section 9005 Bioenergy for Advanced Biofuels</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To make payments to eligible producers (of advanced biofuels) to support and ensure an expanding production of advanced biofuels.</p>					
<p>Section 9009 Rural Energy Self Sufficiency Initiative</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To provide financial assistance for the purpose of enabling eligible rural communities to substantially increase the energy self-sufficiency of the eligible rural communities.</p>	<p>Eligible community in a rural area. The definition of community is being developed.</p>	<p>To conduct an energy assessment that assesses the total energy use of all energy users in the community, to formulate and analyze ideas for reducing energy usage by the community from conventional sources, and to develop and install an integrated renewable energy system.</p>	<p>All areas except cities of more than 50,000 & the Contiguous & adjacent urbanized area.</p>	<p>Grants</p>	
<p>Section 6022 Rural Micro Entrepreneur Assistance Program</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>The program is to provide microentrepreneurs with the skills necessary to establish new rural micro enterprises; and continuing technical and financial assistance related to the successful operation of rural microenterprises.</p>	<p>Microenterprise development organizations</p>			<p>Loans and grants</p>	

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<p>Section 6023 Grants for Expansion of Employment Opportunities for Individuals with Disabilities in Rural Areas</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To expand and enhance employment opportunities for individuals with disabilities in rural areas.</p>	<p>Nonprofit organizations or to a consortium of nonprofit organizations.</p>			<p>Grants</p>	
<p>Section 6028 Rural Collaborative Investment Program</p> <p>Authorized in the 2008 Farm Bill – Descriptions in boxes to the right come from the conference report.</p>	<p>To establish a regional rural collaborative investment program</p>					

Direct Loans and Grants - Apply to Rural Development Loan Guarantees - Apply to Intermediary (approved banks, credit unions, etc)

Summary of Program Purposes

BUSINESS-COOPERATIVE PROGRAMS	Land and Building	Machinery & Equipment	Working Capital	Infrastructure	Train/Tech
Business & Industry – Guaranteed Loan (G-B&I)	★	★	★	★	
Rural Business Enterprise Grant (RBEG)	★	★	★	★	★
Intermediary Relending Program – Loan (IRP)	★	★	★	★	
Rural Economic Development Loan (REDL)	★	★	★	★	★
Rural Economic Development Grant (REDG)	★	★	★	★	★
Rural Cooperative Development Grant (RCDG)				★	★
Value Added Producer Grants (VAPG)			★	★	★
Rural Business Opportunity Grant (RBOG)					★
Rural Energy for America Program - Grants (REAP)		★			★
Rural Energy for America Program – Guaranteed Loans (G-REAP)	★	★	★		★
Section 9003 – Biorefinery Assistance	★	★	★		
Section 9004 – Repowering Assistance					
Section 9005 – Bioenergy for Advanced Biofuels					
Section 9009 – Rural Energy Self Sufficiency Initiative					
Section 6022 – Rural Micro Entrepreneur Assistance Program					
Section 6023 – Grants for Expansion of Employment Opportunities for Individuals with Disabilities in Rural Areas					
Section 6028 – Rural Collaborative Investment Program					

These programs are under development – as more information becomes available – the chart will be updated.