



Business and Cooperative Programs Newsletter

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Michael W. Aube, State Director

Emily J. Farkas, Public Affairs Specialist

An Informational Newsletter of Rural Development's Business and Cooperative Programs Division

About this Newsletter

This newsletter is a bi-annual publication of Rural Development's Business and Cooperative Programs Division. Rural Development seeks to provide those parties involved with current, pertinent information about happenings within the Business Programs. This publication is issued quarterly, and will also be posted to our website at <http://www.rurdev.usda.gov/me/>. To subscribe or unsubscribe to this newsletter please contact Emily Farkas at Emily.Farkas@me.usda.gov.

Rural Development's Business Programs

The Maine Rural Development Business and Cooperative Programs continue to assist businesses in their financial needs by bolstering the private credit structure through the guarantee of quality loans in rural areas (under 50,000 population).

Last year, Maine Rural Development guaranteed over \$10 million with private lender loans, ranging from \$330,000 to \$4.7 million per loan. The one-time guarantee fee of 2 percent of the guaranteed principal amount, along with the 80 percent guarantee, makes this program a popular one with many lending institutions.

What's new in the Guaranteed Business & Industry Loan Program? New staff in the Maine Rural Development State Office includes Michael W. Grondin, Business and Cooperative Programs Director, and Valarie C. Flanders, Business and Cooperative Programs Specialist. Mike and Val, along with Business and Cooperative Programs Specialist Dean R. Churchill, Loan Technician Penny Jo Holmes, and Loan Assistant Anne Eugley, look forward to another successful year in the guaranteed B&I program. Already in FY 2004, \$4,969,400 has been obligated in the guaranteed B&I program, with several additional proposals in the pipeline.

Do you have a proposal that you think might benefit from a Rural Development B&I guarantee? We encourage lenders to submit a limited amount of information (pre-application) so that we can determine and advise you whether the proposal is likely to meet the requirements of the program. This process can prevent unnecessary expense involved in the preparation of a full application.

We look forward to working with all lenders interested in the Rural Development Guaranteed B&I Loan Program.

Renewable Energy Grant NOFA

On May 4, Agriculture Secretary Ann M. Veneman announced the availability of approximately \$23 million in grants that will support President Bush's energy plan to develop renewable energy systems and promote energy efficiency improvements.

"President Bush wants to bring greater energy independence to our country through expanded use of renewable energy," said Veneman. These grants will help America's farmers, ranchers and rural businesses meet this need."

Veneman said the Renewable Energy Systems and Energy Efficiency Improvements program was created as part of the 2002 Farm Bill to assist farmers, ranchers, and rural small businesses develop renewable energy systems and make energy efficiency improvements to their operations. In 2003, the Bush Administration invested \$21.7 million to assist 114 applicants from 24 states develop or improve wind power, anaerobic digester, solar, ethanol and other bioenergy related systems or energy efficiency improvements. *(Continued next page)*

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Michael W. Aube, State Director of Rural Development in Maine said of the initiative, "This important initiative is designed to assist Maine's rural businesses and farmers in running their operations. In a competitive environment, reducing energy costs can make a significance difference in retaining and creating business expansions."

Applicants for the Renewable Energy Systems and Energy Efficiency Improvements program must be agricultural producers or rural small businesses, U.S. citizens or legal residents, and have demonstrated financial need. Rural Development grant funds may be used to pay up to 25 percent of the eligible project costs. Eligible projects include those that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources. Applications are due in the Maine Rural Development State Office in Bangor (967 Illinois Ave, P.O. Box 405, Suite 4, Bangor, ME 04402) no later than July 19, 2004. Detailed information about program requirements and information on how and where to apply is included in the funding notice and can be found by visiting: <http://www.rurdev.usda.gov/rd/farmbill/9006rerces.html> Awards will be made on a competitive basis for the purchase of renewable energy systems and to make energy improvements.

As of April 30, Rural Development's Business Programs have provided \$5,326,995 to the state of Maine to date in Fiscal Year 2004



The Bass Cottage Inn

Rural Development Announces Business and Industry Guaranteed Loan in the amount of \$1,350,000

Rural Development has announced a Business and Industry Guaranteed Loan in the amount of \$1,350,000 to Jeffrey E. and Teri W. Anderholm and Airedale Management Co.

Rural Development funds will be used to finance and substantially improve the Bass Cottage Inn, a ten-room bed and breakfast inn. The Bass Cottage Inn is located in the heart of Bar Harbor, near the waterfront, public pier, retail shops, and restaurants. The lender receiving the Rural Development guarantee is Machias Savings Bank.

Michael W. Aube, State Director of Rural Development, said, "These funds will add value to the Bar Harbor region, helping to bring in tourism dollars on which the area thrives."

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