

United States Department of Agriculture



Rural Development



Rural Economic Development Loan and Grant Program

◆ OBJECTIVE

- ◆ The zero-interest loans and grants are provided for the purpose of promoting rural economic development and job creation projects.

◆ ELIGIBLE APPLICANTS

- ◆ An entity that has outstanding RUS and/or Rural Telephone Bank (RTB) loan(s) or loan guarantee(s) for an electric or telephone purpose.

◆ LOAN PURPOSES

- ◆ Must be used exclusively to promote rural economic development and/or job creation projects.
- ◆ May be used for Projects that enhance rural economic development by providing advanced telecommunications services and computer networks for medical and educational services.
- ◆ May be used for community antenna television systems or facilities.

◆ RATES AND TERMS

- ◆ Zero Interest Rates
- ◆ Ten-year repayment

◆ SPECIAL REQUIREMENTS

- ◆ Require supplemental funding.
- ◆ Must demonstrate the availability and commitment of other sources of funding needed to complete a project.
- ◆ Provide sufficient documentation evidencing their proven ability, background and experience to furnish such services.
- ◆ Provide sufficient documentation evidencing their legal authority and capacity to furnish such services.

◆ TYPES OF PROJECTS

- ◆ Technical Assistance
- ◆ Community Development
- ◆ Demonstration Projects
- ◆ Business Incubators for emerging enterprises
- ◆ Advanced Telecommunications and/or computer networks
- ◆ Facilities & Equipment for Education & Training
- ◆ Facilities & Equipment for Medical Care
- ◆ Electric or Telephone purposes

◆ INELIGIBLE USES OF THIS LOAN

- ◆ Site development, destruction, or alteration of buildings, or other activities that would adversely affect the environment, or limit the choice of reasonable alternatives prior to satisfying the requirements.
- ◆ To fund or assist projects of which any director, officer, general manager or significant stockholder of the Borrower, or close relative thereof, is an owner, stockholder, partner or director, of which would, in judgement of the Administrator, create a conflict of interest or the appearance of a conflict of interest.
- ◆ For any costs incurred on the project; (i) Prior to receipt of the Borrower's completed application by RUS during an application period unless the Administrator has specifically approved such usage in writing.
- ◆ To purchase or lease any real property, materials, equipment, or services from subsidiary, an affiliate, or significant stockholder, officers, managers or directors of the Borrower, or close relatives thereof, where the purchase or lease has not been fully disclosed to the Administrator and received the Administrator's prior written approval.
- ◆ To pay off or refinance existing indebtedness incurred prior to receipt of the Borrower's completed application by RUS or for refinancing a loan made under the Act or a program administered by the Administrator.
- ◆ To pay the salaries of any employee or owner of the Borrower, its subsidiaries or affiliates.
- ◆ For the Borrower's electric or telephone operations or for any operations affiliated with the Borrower unless the Administrator has specifically informed the Borrower in writing that the operations are part of the approved purposes.
- ◆ For proposed projects located in areas covered by the Coastal Barrier Resources Act.
- ◆ By the recipient of a pass-through-loan or pass-through-grant to purchase or lease any real property, materials, equipment, or services from the Borrower, its subsidiary, an affiliate of the Borrower, or significant stockholders, officers, managers or directors of the Borrower, or close relatives thereof, where the purchase or lease has not been fully disclosed to the Administrator and received the Administrator's prior written approval.
- ◆ For any electric or telephone purpose, as determined by the Administrator.
- ◆ To fund feasibility studies and technical assistance.
- ◆ For community antenna television systems or facilities.

For more information regarding Rural Development Direct Community Programs,
please contact the **Rural Development State Office:**

United States Department of Agriculture
Rural Development
Alan C. Daigle
967 Illinois Avenue, Suite 4
PO Box 405
Bangor, Maine 04402-0405
TEL: (207) 990-9168
TDD/TTY: (207) 942-7331
email: rbs.info@me.usda.gov