



Texas

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USDA Rural Development's Business & Cooperative Programs

USDA Rural Development delivers a variety of assistance to rural businesses and communities. All of them work in financial partnership with local economic organizations – banks and other lenders, economic development groups, local revolving loan funds, universities, municipalities, counties, tribes, and utility cooperatives. Several of the programs assist rural small business (including farmers & ranchers) directly.

USDA Program	Total Funds Available	Purpose (What is the program's goal?)	Program Type (How does it work?)	Eligible Applicants (Who can apply?)	Eligible Areas (What is rural?)	Authorized Purposes (What can funds be used for?)	Typical Amount of Assistance	Rates & Terms (rates subject to change)	Key to Success	When to Apply
B&I Guarantee Business & Industry Guaranteed Loan	(Texas allocation)	Provide an <u>incentive for business lending that will save & create jobs</u>	USDA <u>guarantees</u> business loans made by banks	Banks and other business 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	\$10 million maximum up to \$25 million under certain conditions	Negotiated by business & lender. Fixed or variable rates, typically near Prime (No balloons)	<u>Lender-driven</u> : there must be a bank willing to make the loan. (USDA only guarantees the loan.) Business with strong equity & collateral.	Year round
IRP Intermediary Relending Program	(No separate Texas allocation)	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 economic development groups, tribes, & public bodies (e.g., cities) who will make loans to rural businesses	Ultimate recipients located in unincorporated areas & <25,000 population cities	The loans must be used to set up a loan program to make business loans for real estate, equipment, working capital, & refinancing – for nonfarm businesses	\$750,000 loan maximum to re-lenders to make loans 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 Quarterly competition at national level
RBEG Rural Business Enterprise Grant	(Texas allocation)	Support economic development projects that will <u>assist specific small & emerging private businesses</u>	USDA makes grants to support local economic development programs that will support businesses	Nonprofit economic development groups, tribes, & public bodies (e.g., cities or counties)	Areas outside the urbanized edge of cities of >50,000 population	The grant can be used 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 <u>develop infrastructure</u> .	Varies	Grant	Funding is limited, so these grants tend to go only to the neediest areas. Grant funds cannot be used for regional planning or business attraction projects.	Once-a-year Annual competition at state level
RBOG Rural Business Opportunity Grant	(No separate Texas allocation)	Support <u>economic development planning</u>	USDA makes grants to support general economic growth & planning	Nonprofit economic development groups, tribes, and public bodies (e.g., cities or counties)	Unincorporated areas & <50,000 population cities	The grant can be used to do <u>regional planning</u> , <u>develop area economic strategies</u> , provide <u>technical assistance</u> to businesses, and develop local <u>leadership</u>	<\$50,000	Grant	Funding is limited, so these grants tend to go only for projects helping the neediest areas.	Once-a-year. Annual competition at national level Maximum of 2 applications compete per State.
RCDG Rural Cooperative Development Grant	(No separate Texas allocation)	Support <u>centers to assist cooperatives</u>	USDA makes grants to centers for rural cooperative development	Universities and nonprofit economic development groups	Areas outside the urbanized edge of cities of >50,000 population	Grants are used to operate Centers that assist rural cooperatives.	\$250,000 – ≤\$300,000	Grant Matching funds required. Complete in 1 year.	Funding is limited, so these grants tend to go only for projects helping the neediest areas.	Once-a-year. Annual competition at national level NOSA
VAPG Value-Added Producer Grant	(No separate Texas allocation)	Support producers in <u>ventures that will increase the return on their</u>	USDA provides matching grants to farmers for value-added ventures	Farmer or rancher coops, Agricultural producer groups, majority-controlled producer based business ventures,	No rural area requirement.	Grants for planning or working capital on value-added agricultural ventures, including renewable	<\$100,000 (planning); <\$150,000 (working capital)	Grant Matching funds required. Complete in 1 year.	Application requirements are complex, so consult with USDA well in advance of	Once-a-year. Annual competition at national level

Committed to the future of rural communities.

“USDA is an equal opportunity provider, employer and lender.”

		<u>agricultural</u> <u>commodities.</u>		Independent producers		energy			application deadline.	NOSA
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Section 9007 REAP Rural Energy Grant	(No separate Texas allocation)	Financing for <u>renewable energy generation systems</u>	USDA makes grants to small rural businesses & agricultural producers.	Rural small businesses & agricultural producers	Areas outside the urbanized edge of cities of >50,000 population	Grants for renewable energy systems (wind, biomass bioenergy, anaerobic digesters, solar, geothermal, & renewable hydrogen)	≤\$500,000 (not to exceed 25% of project cost).	Grant	Application requirements can be complex, so consult with USDA well in advance of application deadline.	Once-a-year Annual competition at national level NOFA
Section 9007 REAP Energy Efficiency Improvements Grant	Included in the above funding allocation	Financing for <u>energy efficiency improvements</u>	USDA makes grants to small rural businesses & agricultural producers.	Rural small businesses & agricultural producers	Areas outside the urbanized edge of cities of >50,000 population	Grants for purchase & installation of business energy efficiency improvements	≤\$250,000 (not to exceed 25% of project cost). Priority is given for grants of ≤\$50,000	Grant	Application requirements can be complex, so consult with USDA well in advance of application deadline.	Once-a-year Annual competition at national level NOFA
Section 9007 REAP Rural Energy Guaranteed Loan	(No separate Texas allocation)	Provide an <u>incentive for business lending</u> that will finance for <u>renewable energy generation systems or energy efficiency improvements</u>	USDA <u>guarantees</u> business loans made by banks to small businesses & agricultural producers	Banks and other business 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 for energy efficiency improvements	\$5,000 – \$25 million <i>(May be combined with a 9007 grant, but total assistance cannot exceed 75% of the total eligible project costs.)</i>	Negotiated by business & lender. Fixed or variable rates, typically near Prime (No balloons)	<u>Lender-driven</u> : there must be a bank willing to make the loan. (USDA only guarantees the loan.) Business with strong equity & collateral.	Year round NOFA
RED Loan Rural Economic Development Loan	(No separate Texas allocation)	Promote specific <u>community or business development projects</u> that will improve the local economy	USDA makes loans to certain utilities that are in turn re-loaned for local community or business projects	Electric & telephone utilities financed by USDA's Rural Utilities Service.	Unincorporated areas & <2,500 population cities	Loans are passed through to nonfarm businesses for real estate & equipment.	\$740,000 loan maximum	Loan is zero%, 10 years	Requires a community-oriented utility that is willing to apply on the project's behalf.	Year round Quarterly competition at national level
RED Grant Rural Economic Development Grant	(No separate Texas allocation)	Promote specific <u>community development projects</u> that will improve the rural economy	USDA makes grants to certain utilities to capitalize a revolving loan fund for community projects.	Electric & telephone utilities financed by USDA's Rural Utilities Service.	Unincorporated areas & <2,500 population cities	Grants are used to set up a <u>revolving loan fund</u>	\$300,000 grant maximum	Grant	Requires a community-oriented utility coop that is willing to apply on the project's behalf.	Year round Quarterly competition at national level

More information at: www.rurdev.usda.gov/tx/rbs.htm or contact us:

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