

Intermediary Relending Program

PURPOSE

The purpose of the Intermediary Relending Program (IRP) is to alleviate poverty and increase the economic activity and employment in rural communities. Under this program, loans are provided to local organizations (Intermediaries) to establish revolving loan funds. These revolving loan funds are then used to assist with financing business and community development activity to create and/or retain jobs in disadvantaged and remote communities.

DEFINITIONS

Intermediary: The public or private entity receiving or requesting Agency IRP loan funds for establishing a revolving fund and relending to ultimate recipients.

Ultimate Recipient: The entity or individual that receives a loan from an Intermediary's IRP revolving fund.

Rural Area: All territory of a State that is not within the outer boundary of any city having a population of 25,000 or more, according to the latest decennial census.

INTERMEDIARY ELIGIBILITY

Eligible Intermediaries include:

- Private non-profit corporations
- Public agencies
- Indian groups
- Cooperatives (*with at least 51% rural membership aimed at increasing income for member producers*)

Intermediary must:

- Be legally able to incur debt, give security, and repay the loan
- Have staff experienced with assisting rural business and industry, including experience in loan making and servicing commercial loans
- Be located in a rural area, as defined above
- Have adequate assurance of repayment

ELIGIBLE LOAN PURPOSES: *(not a complete list)*

Projects must be located in a rural community or a rural area.

- Community development projects
- Business acquisition, construction, conversion, enlargement, repair, modernization, or development, particularly when jobs will be created or retained
- Purchase and/or development of land, easements, rights-of-way, building, facilities, leases, or materials
- Purchase of equipment, leasehold improvements, machinery or supplies
- Pollution control and abatement
- Start-up operating costs and working capital
- Feasibility studies
- Transportation services
- Hotels, motels, tourist homes, bed and breakfast establishments, convention centers
- Educational institutions

INELIGIBLE LOAN PURPOSES *(not a complete list)*

- Intermediary's own administrative expenses
- Some charitable institutions, churches, organizations affiliated with or sponsored by church
- Fraternal organizations
- Agricultural production
- Transfer of ownership of business *(unless it keeps the business from closing or provides expanded job opportunities)*
- Community antenna television services or facilities
- Golf courses, race tracks, or gambling facilities

TERMS & CONDITIONS

Loan Amounts: Intermediary - \$2,000,000.00 maximum
Ultimate Recipient - Lesser of \$150,000 or 75% of project
(limited exceptions up to \$250,000)

Rates: Intermediary - 1%
Ultimate Recipient - Negotiated

Terms: Intermediary - 30 years (principal may be deferred for the first three years)
Ultimate Recipient - Negotiated

APPLICATION SELECTION

Consideration will be given to applications based on a priority score. Points will be allowed only for factors indicated by well documented, reasonable plans which, in the opinion of RBS, provide assurance that the items have a high probability of being accomplished. More details on priority scoring may be obtained by contacting our office.

APPLICATION SUBMISSION

You may file applications with the USDA Rural Development State Office:

Rural Development
Attn: Business & Community Programs
4949 Kirschling Court
Stevens Point, WI 54481
(715) 345-7610 phone
(715) 345-7616 fax

ADDITIONAL INFORMATION

You can obtain additional information, copies of the regulation, and forms by contacting the USDA Rural Development State Office by calling 715-345-7610 or e-mailing RD.BCP.SO@wi.usda.gov. Visit us on the web at <http://www.rurdev.usda.gov/wi> or <http://www.rurdev.usda.gov/rbs/busp/irp.htm>.