



Lori Krause

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USDA Rural Development
Committed to the Future of Rural
Communities

Investments in Michigan Communities in FY 2010

\$1,357,454,769

- Multi-Family Housing: \$ 30,126,014
- Telecommunications: \$122,634,069
- Business Programs: \$141,871,709
- Community Programs: \$334,652,500
- Single Family Housing: \$728,170,477

Programs I'll Be Discussing Today

- Guaranteed Business Loan Program
- Intermediary Relending Program (IRP)
- Rural Business Enterprise Grant Program (RBEG)
- Rural Business Opportunity Grant Program (RBOG)

B&I Guaranteed Business Loan Program

Program is designed to assist rural small businesses with obtaining financing through lenders.

- Creating or saving jobs is always primary focus
- Any size business
- Located in rural area <50,000 population
- Business goes to lender, lender comes to us
- \$10 Million maximum loan this year

Eligible Borrowers

- Cooperative, Corporation, Partnership, Individual, Tribal Group or Public Body
- 51% owned by persons who are either U.S. Citizens or have been legally admitted for permanent residence

Ineligible Borrowers

- Churches, Charitable or Fraternal Organizations
- Lending, Investing or Insurance Companies

Eligible Loan Purposes

- Existing or Start-up Businesses
- Real Estate and Buildings
- Machinery & Equipment
- Term Working Capital
- Refinancing (max. 49% existing exposure)
- Nearly any business venture with a few exceptions

Ineligible Loan Purposes

- Agricultural Production
- Golf Courses
- Gambling
- Racetracks
- Housing
- Equity Distributions to Existing Owners
(if maintaining any ownership)
- Line of Credit Loans
- Loans with Balloon Payments

Wineries



Grocery Store



Trucking Company



Strip Mall



Assisted Living Facility



Intermediary Re-lending Program Loans (IRP)

- Finance businesses and community development projects in rural areas
- Public bodies, non-profit entities and tribal entities apply to Rural Development
 - They establish a revolving loan fund to fund local business development
 - They receive the loan from RD at 1% for 30 years
 - * Local businesses receive loan on terms consistent with security offered

Rural Business Enterprise Grants

- Facilitate the development of small & emerging private small businesses
- Eligible entities include non-profit, public body & tribal entities to spur business in the area – grant does not go directly to a business
- Small business is defined as employing 50 or fewer new employees & has less than \$1MM in projected gross revenue

Eligible Purposes

- Feasibility studies
- Technical assistance
- Build access streets to industrial parks
- Establish revolving loan funds
- Machinery or equipment

We generally receive 4 times request vs. funds

Rural Business Opportunity Grants

- Facilitate the development of rural small businesses through technical assistance
- Eligible entities include non-profit, public body, cooperatives & tribal entities
- Grant funds may not be passed through directly to the business
- Population of 50,000 or less

Eligible Purposes

- Feasibility Study
- Business Plan Study
- Economic development planning in rural areas
- Leadership development training
- Reasonable fees & charges for professional services to conduct training and/or technical assistance

All applications complete on a Nation-wide basis

Business Programs

Business and Industry Guaranteed Loans
Rural Energy for America Program Grants & Loans
Rural Business Enterprise Grants
Value Added Producer Grants
Renewable Energy Program Loans & Grants
Intermediary Re-lending Program Loans
Rural Economic Development Loans and Grants
Cooperative Development Assistance

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