



PURPOSE

- To promote rural economic development and job creation projects.

APPLICANT ELIGIBILITY

- Rural Development Utilities Programs (Rural Utility Service) Electric and Telephone utility borrowers, including former borrowers under discount prepayment program
- Financially sound organization
- Current on all Federal debts

USE OF GRANT FUNDS

- Establish and operate a Revolving Loan Fund to provide loans for rural economic development projects.

MAXIMUM AND MINIMUM GRANT AMOUNTS

- Maximum \$300,000
- Minimum \$10,000

REVOLVING LOAN FUND (RLF)

- Initial loan for certain purposes only (see "Initial Loan Purpose" below). 0% interest, 10 year maximum term.
- Subsequent loans, made from repayments of initial loan, may be used for any rural economic development purpose outlined in the grantee's Rural Development Plan. Interest rate not to exceed prime, 10-year maximum term.
- Grantee will provide matching funds to the RLF in an amount equal to 20% of the grant
- Grantee may charge loan recipients reasonable loan servicing fees (not to exceed 1% of the outstanding balance of the recipient's loan).
- Grantee may use funds from the RLF to cover operating expenses of the RLF (not to exceed 10% of the grant over the lifetime of the RLF).
- Minimum 20% supplemental financing required of loan recipient.

INITIAL LOAN PURPOSE

- Business incubators established by non-profit organizations to assist in developing emerging enterprises.
- Community development assistance to non-profit and public bodies for employment creation projects or projects that provide needed community facilities and services.
- Projects that provide education and training to rural residents to facilitate economic development.
- Projects that provide medical care to rural residents including medical training to rural health care providers.
- Projects that utilize advanced telecommunications and/or computer networks to facilitate medical or educational services or job training.

RURAL DEVELOPMENT PLAN

- The RLF will be administered in accordance with a Rural Development Plan developed by the Grantee and approved by USDA – Rural Development.
- The Rural Development Plan will include the following items:
 - Specific objectives
 - Operating procedures
 - Lending parameters
 - Application process
 - Types of projects to be funded
 - Maximum and Minimum loan amounts
 - Coordination with local lenders
 - Method of disposition of funds
 - Monitoring/reporting requirements

APPLICATION PROCESS

- Applications are submitted to the USDA Rural Development State Office for review and rating
- Applications are forwarded to the USDA Rural Development National Office for the national competitive selection process
- Applications are selected for funding on a monthly basis

SELECTION FACTORS

- Nature of the project
- Job creation projections
- Supplemental funds
- Unemployment rates
- Per capita personal income
- Change in population
- Number of long-term jobs
- Location (rural)
- Support for program – cushion of credit payments
- Ownership and management of the project
- Ultimate recipient's business plan

FOR MORE INFORMATION / HOW TO APPLY

Contact the USDA Rural Development Business Program Specialist according to the project location:

North Missouri:	Steve Gerrish (Moberly, MO)	660-263-7400, Ext.4	steve.gerrish@mo.usda.gov
Southwest Missouri:	James Combs (Springfield, MO)	417-831-5246, Ext.4	james.combs@mo.usda.gov
Southeast Missouri:	Ray Mowery (Houston, MO)	417-967-2028, Ext.4	ray.mowery@mo.usda.gov
Missouri State Office:	Business Programs (Columbia, MO)	573-876-9321	matt.moore@mo.usda.gov nathan.tutt@mo.usda.gov freda.ferguson@mo.usda.gov

<http://www.rurdev.usda.gov/mo>