

USDA Rural Development Grant Program Summary

Mission: "To enhance the ability of rural communities to develop, to grow and to improve their quality of life by applying financial and technical resources in the areas of greatest need and with the greatest potential."

The Business Program

Promoting a dynamic business environment in rural Alaska is the goal of USDA Rural Development's varied business programs. These programs work in partnership with private sector and community-based organizations to provide financial assistance and business planning. They help fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of USDA Rural Development are often leveraged with those of other public and private credit source lenders to meet business and credit needs throughout rural Alaska.

Business and Industry Guaranteed Loans

The Business and Industry (B&I) Guaranteed Loan Program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program provides guarantees up to 90 percent of a loan made by a commercial lender. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The primary purpose is to create and maintain employment and improve the economic climate in rural Alaska. This program represents a true private-public partnership.

B&I loan guarantees can be extended to loans made by eligible lenders in all areas of Alaska outside the Municipality of Anchorage.

Assistance under the B&I Guaranteed Loan Program is available to virtually any legally organized entity, including a cooperative, corporation, partnership, trust or other profit or nonprofit entity, Indian tribe or federally recognized tribal group, municipality, county, or other political subdivision of a state.

Intermediary Relending Program

The Purpose of the Intermediary Relending Program (IRP) is to finance business facilities and community development projects in rural areas. This is achieved through loans made by the Rural Business-Cooperative Service (RBS) to intermediaries. Intermediaries may be private nonprofit corporations, public agencies, Indian groups, or cooperatives.

Rural Business Enterprise Grants

USDA Rural Development makes grants to public bodies, private nonprofit corporations, and federally-recognized Indian tribal groups to finance and facilitate development of small and emerging private business enterprises.

Rural Business Opportunity Grants

Rural Business Opportunity Grants (RBOG) are made to promote sustainable economic development in rural communities with exceptional needs. This is accomplished by making grants to pay costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials.