

United States Department of Agriculture

Rural Development

Funding Programs for Rural Businesses  
and Agricultural Producers

**November 3, 2009**



Committed to the future of rural communities.

# Rural Energy for America Program

Program is designed to promote:

- energy efficiency and/or
- renewable energy development

Applicant must be either

- agricultural producer
- rural small businesses



Committed to the future of rural communities.

# Rural Development's Role

## Grant Assistance

- 25% of the project's eligible costs
- \$250,000 Maximum for Energy Efficiency Projects.
- \$500,000 Maximum for Renewable Energy Projects.

## Loan guarantees

- 85% loan guarantee for loans under \$600,000
- \$25,000,000 maximum loan amount



Committed to the future of rural communities.

# Expected Available Funding Fiscal Year 2010

\$120 Million provided in Farm Bill and Annual Appropriations

- Funding Available is twice the amount available in Fiscal Year 2009.
- 1,485 projects were funded in FY09
  - \$50,900,000 in Grant funding
  - \$57,000,000 in Guaranteed Loans



Committed to the future of rural communities.

# 2009 Approved Ohio Projects

## 41 Projects approved

	Grant	Loan Guarantee
Anaerobic Digester Projects	\$966,560	\$1,266,560
Biomass Fueled Boilers	\$7,865	\$7,500,000
Various Energy Efficiency Projects	\$268,257	\$171,050
Geothermal	\$40,000	\$0
Grain Dryer Replacements 19 Projects	\$510,965	\$86,610
Solar Electric	\$39,024	\$0
Solar Thermal	\$10,320	\$0
Wind	\$1,088,678	\$953,851
<b>Total for Ohio Projects</b>	<b>\$2,931,669</b>	<b>\$9,978,071</b>



Committed to the future of rural communities.

# Application Time Line

- Applications can be submitted immediately. Funding would not be available until early 2010.
- Contact Randy Monhemius at 614/255-2424 or at [randy.monhemius@oh.usda.gov](mailto:randy.monhemius@oh.usda.gov) to discuss the application process.



Committed to the future of rural communities.

# BUSINESS & INDUSTRY GUARANTEED LOANS (B&I)

- Provide for Economic Development in Rural Areas.
  - Job Creation and Job Savings.
- Accomplished through the guarantee of quality loans to businesses in the rural areas.
- Allows for better rates and terms to the business due to reduced lender risk.



Committed to the future of rural communities.

# ARRA Funding

Tripled the funding available for loan guarantees.

- Nationally, \$2,600,000,000 is available for loan guarantees.
- Provides for higher guarantee percentage
  - 90% versus standard 80% means lower risk for the bank
- Lower guarantee fees
  - 1% fee versus 2% means lower costs to customer
- No annual renewal fee
  - Removes the 0.25% annual servicing fee.



Committed to the future of rural communities.

# B&I Contacts

- **Jim Cogan**
  - 614-255-2420
- **Randel Monhemius**
  - 614-255-2424
- **Jennifer Sonnenberg**
  - 614-255-2423
- **Debbie Rausch**
  - 614-255-2425



Committed to the future of rural communities.