

■ Rural Business and Cooperative Development Service (RBCDS)

Creation of viable new and improved businesses and cooperatives in rural America is the top priority of this agency. RBCDS works through partnerships with public and private community-based organizations to provide financial assistance, business planning, and technical assistance to rural businesses. It also conducts research into rural economic issues, including rural cooperatives, and provides educational materials to the public.

Business and Industry (B&I) Loan Guarantees help finance rural business and industry projects that enhance employment opportunities and improve the economic and environmental climate in rural communities, including pollution abatement and control. Loan guarantees for projects that foster lasting community benefits bolster existing private credit structures. B&I loan guarantees, which are not intended for marginal or substandard loans, are available to businesses in areas outside urban areas with populations of 50,000 or more. Funds are also available to guarantee loans made by private lenders to cover costs arising from natural disasters (declared by the President).

Intermediary Relending Program Loans finance business facilities and community development projects in areas of a State that are outside cities of 25,000 people or more. Funds loaned by RBCDS to intermediaries support new business facilities and community development projects in rural areas.

Rural Economic Development Loans and Grants promote rural economic development and job creation projects, including feasibility studies, startup costs, and other reasonable project expenses. The maximum amount of a grant or loan is \$400,000. Loans have a maximum term of 10 years and are repaid without interest. These loans and grants are available to existing Rural Utilities Service electric and telephone borrowers.

Rural Business Enterprise Grants assist public bodies, nonprofit corporations, and Federally-recognized Indian Tribal groups to finance small and emerging private business enterprises located in rural areas. A rural area is defined as an area outside the boundary of a city with a population of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Funds may be used to finance and develop small and emerging private business enterprises. Costs that may be paid from grant funds include the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility and service extensions. In addition, funds may be used for refinancing, professional services,

technical assistance, startup operating costs, working capital, and financial assistance to a third party. These funds may also be used to produce television programs that provide information for rural residents, and to create, expand, and operate rural distance learning networks.

Rural Technology and Cooperative Development Grants finance the establishment and operation of centers for rural technology and/or cooperative development. The grants improve the economic conditions of rural areas by promoting the development and commercialization of new services, products, processes, and enterprises in rural areas. Eligible applicants are public bodies, nonprofit organizations, and Federally-recognized Indian Tribal groups.

Local Technical Assistance and Planning Grants may be used for technical assistance and training for small businesses, analysis of business opportunities in rural areas, establishment of business support centers, local or multicounty economic development planning, coordination of economic development activities, and leadership development training for local government officials. These grants, which are available to public bodies and nonprofit organizations, may be used to assist rural areas and any city or town with a population under 10,000.

Cooperative Services helps improve the performance of the Nation's cooperatives and promotes understanding and use of the cooperative business system. By working together for their mutual benefit in cooperatives, rural residents are often able to reduce costs for production supplies and consumer goods, obtain services that might otherwise be unavailable, and achieve greater returns for their products. Cooperative Services accomplishes its mission by (1) responding to requests for technical assistance from rural residents who want to organize a cooperative or improve operations of an existing cooperative, (2) providing information and educational materials relating to cooperatives, (3) conducting research on cooperative financial, structural, managerial, policy, member governance, legal, and social issues, and (4) collecting and disseminating statistics to support research and technical assistance work.

The **Alternative Agricultural Research and Commercialization Center's** mission is to expedite the commercialization of new industrial products or of new uses for agricultural and forestry materials and animal byproducts. The center makes repayable investments in small businesses in rural areas. Repayments go into a revolving fund for investment in other projects. Applicants are expected to match AARC funds with an equal amount of funding from other sources.