



MEMORANDUM OF UNDERSTANDING

THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE UNITED STATES SMALL BUSINESS ADMINISTRATION

Relative to Cooperation and Coordination on Obligations of Shared Concern

PART 1 – GENERAL: The U.S. Department of Agriculture (“USDA”) and the U.S. Small Business Administration (“SBA”) (hereinafter individually a “Party”, and together the “Parties”) are committed to improving program effectiveness and increasing access to capital through enhanced collaboration and coordination in areas of mutual interest. Specifically, such collaboration is intended to strategically align investments to the priorities established by the Agriculture and Rural Prosperity Taskforce in order to promote stronger businesses and agricultural economies in rural America. USDA’s and SBA’s mutual interests include: improving investment opportunities in rural areas, examining synergies to streamline and deliver programs, identifying ways to increase the benefits of the Tax Cuts and Jobs Act of 2017, Pub. L. 115-97, improving innovation for rural technical assistance providers, and aiding rural businesses in providing tools to export products around the world.

PART 2 – PURPOSE: The purpose of this memorandum of understanding (“MOU”) is to document and formalize ongoing coordination and collaborative efforts between USDA and SBA relative to the above-mentioned areas of shared concern. In order to accomplish these goals, USDA and SBA will convene interagency working groups to address, among other things, the following:

- (1) *Capital Access and Investment in Rural America*: The working groups shall collaborate to bring more capital, both public and private, to rural communities by: (i) identifying the synergies between the \$1B USDA Business & Industry fund that finances rural entrepreneurs and the \$30B SBA 7(a) and 504 loan programs available to small businesses, so as to improve financing opportunities for more rural small businesses, in order to improve the quality of life in rural America; (ii) exploring opportunities for the Rural Business Service (“RBS”) to facilitate the delivery of SBA programs to rural customers by building on USDA’s existing network of state offices and relationship with rural lenders; (iii) examining cooperation between the Small Business Investment Company (“SBIC”) Program and the Rural Business Investment Program (“RBIC”) in order to encourage investments in rural small businesses, as well as to explore the licensing by SBA of funds that are already licensed by RBIC; and (iv) exploring opportunities to focus a certain percentage of SBA’s SBIC Program funds to support rural small businesses.



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- (2) *Assisting Business in Rural America*: The working groups shall also collaborate on opportunities to expand business in rural communities by (i) identifying overlap among the rural markets identified by USDA, Historically Underutilized Business Zones, rural tracts identified by SBA, and the Opportunity Zones identified by Treasury, to ensure that small businesses in rural areas benefit from the Tax Cuts and Jobs Act; (ii) exploring opportunities to establish innovation clusters in rural areas; (iii) determining the most effective means to support initiatives benefiting Native Americans; and (iv) collaborating on technical assistance, especially with respect to exportation and procurement.

PART 3 – AUTHORITIES: Nothing herein is intended to alter the respective rights and responsibilities of the Parties under their respective statutory authorities. SBA enters into this agreement under the authority of § 637(b)(1)(A) of the Small Business Act of 1953, Pub. L. 83-163, as amended, and USDA under 7 U.S.C. 2204b. This MOU, and any amendments thereto, shall be subject to the applicable policies, rules, regulations, and statutes under which the Parties are bound, and does not nullify or negate any existing understandings or agreements between the Parties, or between the Parties or either Party and any third party.

PART 4 – STATEMENT OF NO FINANCIAL OBLIGATION: Execution of this MOU does not constitute a financial obligation on the part of either Party. Each Party and its respective agencies and offices will handle its own activities and utilize its own resources, including the expenditure of its own funds, in pursuing these objectives. Nonetheless, each Party will carry out its separate activities in a coordinated and mutually beneficial manner.

PART 5 – LIMITATIONS OF COMMITMENT: The performance of this MOU and any continuation thereof may be contingent upon the availability of funds appropriated by the Congress of the United States. It is understood and agreed that any monies allocated for purposes covered by this MOU shall be expended in accordance with the terms and in the manner prescribed by the applicable statutory and regulatory requirements. Notwithstanding, nothing in this MOU shall obligate either Party to obligate or transfer any funds. Specific work projects or activities that involve the transfer of funds, services, or property among the various agencies and offices of either Party will require execution of separate agreements and be contingent upon the availability of appropriated funds. Such activities must be independently authorized by appropriate statutory authority. This MOU does not provide such authority. Negotiation, execution, and administration of each such agreement must comply with all applicable statutes and regulations.

PART 6 – CONGRESSIONAL RESTRICTION: Subject to 41 U.S.C. 22, no member of, or delegate to, Congress shall be admitted to any share or part of this MOU or to any benefit to arise thereupon.

PART 7 – PUBLICITY: The Parties will coordinate all public statements and other disclosures regarding this MOU and shall not enter into any publicity regarding this MOU unless the form, timing, and contents of any such publicity, announcement, or disclosure have been agreed to in advance.



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PART 8 – CONFIDENTIALITY: The Parties shall avoid the sharing of confidential information. To the extent the objectives of this MOU are impossible to meet without such sharing, the Parties shall enter into a separate confidentiality agreement.

PART 9 – NON-EXCLUSIVITY AND NON-ENDORSEMENT: This MOU in no way restricts either of the Parties from participating in similar activities or entering into similar agreements with other public or private agencies, organizations or individuals. Nor shall this MOU be interpreted to imply that either Party endorses any product, service, or policy of the other.

PART 10 – SEVERABILITY: Nothing in this agreement is intended to conflict with current law(s), regulation(s), or the directives of either USDA or SBA. If any provision in this MOU is found to be inconsistent with existing authority, then that provision shall be reviewed and modified or annulled as agreed to by the Parties in writing; however, the remaining provisions of this MOU shall remain in full force and effect.

PART 12 – NO THIRD-PARTY RIGHTS: This MOU is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against the United States, its agencies, its officers, or any person.

PART 13 – EFFECTIVE DATE, DURATION, AND TERMINATION: This MOU shall become effective upon the date of final signature and shall remain in effect for 5 years therefrom, unless otherwise modified. Either Party may terminate this MOU at any time by 60-day written notice to the other Party. The provisions of this MOU shall be reviewed annually.

Signed the 4th day of April 2018 in Lima, Ohio

Sonny Perdue
Secretary of Agriculture

Linda E. McMahon
Administrator of the Small Business Administration