

US Department of Agriculture Rural Development



Committed to the future of rural communities.

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Virginia Rural Development

Mission: To create economic opportunity and improve the quality of life for all rural Americans.

- Over 40 loan, loan guarantee, and grant programs to finance housing, businesses, broadband, community facilities, water/waste systems and just about any infrastructure need a rural community may desire.

VA Rural Development Activity 2005 – 2010

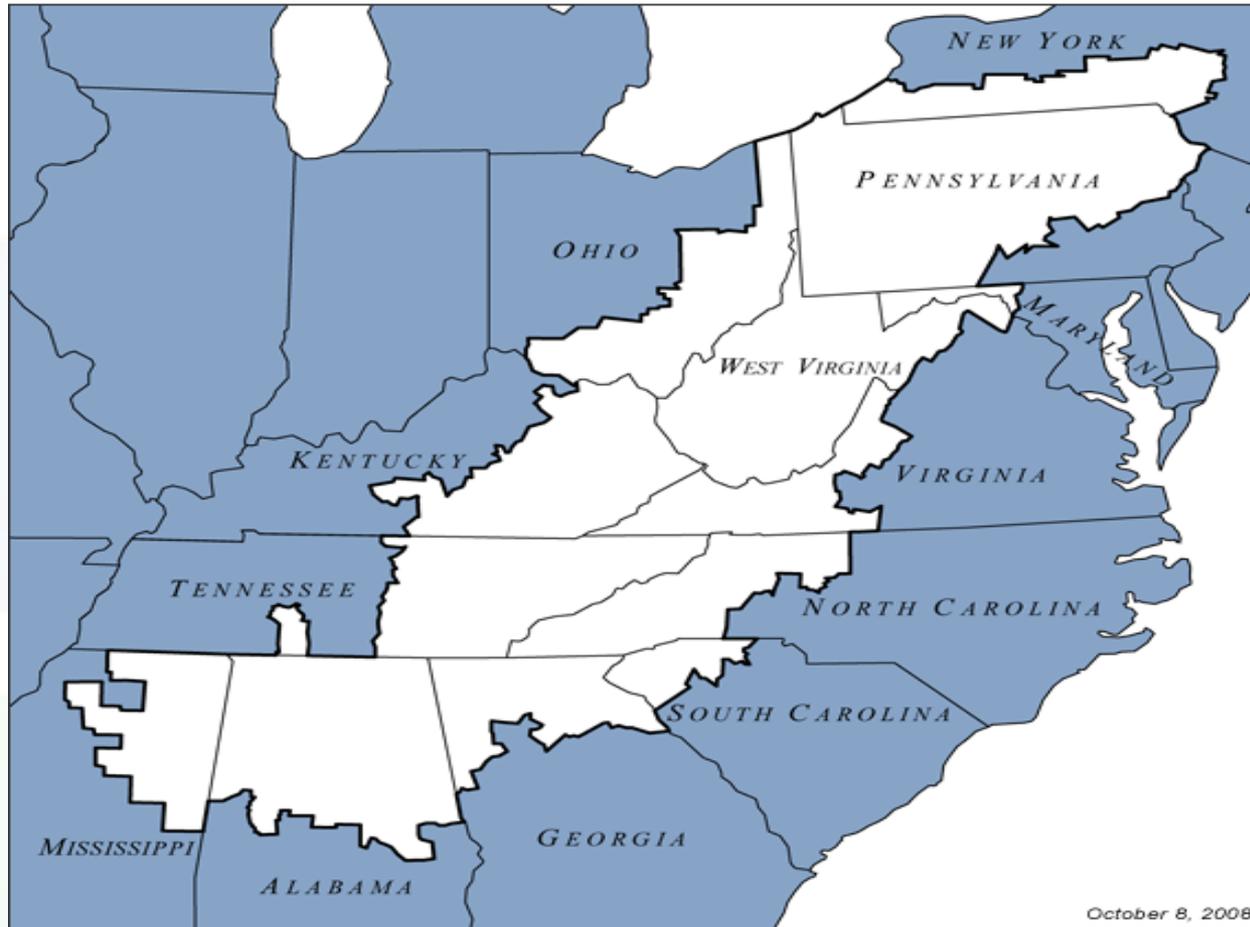
Fiscal Year	Business Programs	Community Facility Programs	Water & Environmental Programs	Electric & Tele-communication Programs	Housing Programs	Grand Total
2005	\$6,724,643	\$46,672,775	\$32,528,800	\$65,684,850	\$145,669,856	\$297,280,924
2006	\$2,125,430	\$36,240,850	\$33,450,760	\$24,235,208	\$146,367,591	\$242,419,390
2007	\$15,196,443	\$37,380,079	\$24,838,500	\$5,047,176	\$166,061,078	\$248,523,276
2008	\$14,580,085	\$28,937,145	\$34,990,200	\$13,130,939	\$247,042,458	\$338,680,827
2009	\$15,861,823	\$22,199,682	\$78,462,600	\$53,612,401	\$509,961,327	\$680,097,833
2010	\$56,910,493	\$87,581,419	\$146,310,580	\$600,480,669	\$496,486,200	\$1,387,769,361



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**6 Year Total:
\$3.1 Billion Dollars**

The Appalachian Region



Source: Appalachian Regional Commission



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- Area 1**
- Area 2**
- Area 3**
- Area 4**

INDEPENDENT CITIES

1 Alexandria	21 Lynchburg
2 Bedford	22 Manassas
3 Bristol	23 Manassas Park
4 Buena Vista	24 Martinsville
5 Charlottesville	25 Newport News
6 Chasapeake	26 Norfolk
7 Clifton Forge	27 Norton
8 Colonial Heights	28 Petersburg
9 Covington	29 Poquoson
10 Danville	30 Portsmouth
11 Emporia	31 Radford
12 Fairfax	32 Richmond
13 Falls Church	33 Roanoke
14 Franklin	34 Salem
15 Fredericksburg	35 Staunton
16 Galax	36 Suffolk
17 Hampton	37 Virginia Beach
18 Harrisonburg	38 Waynesboro
19 Hogewell	39 Williamsburg
20 Lexington	40 Winchester



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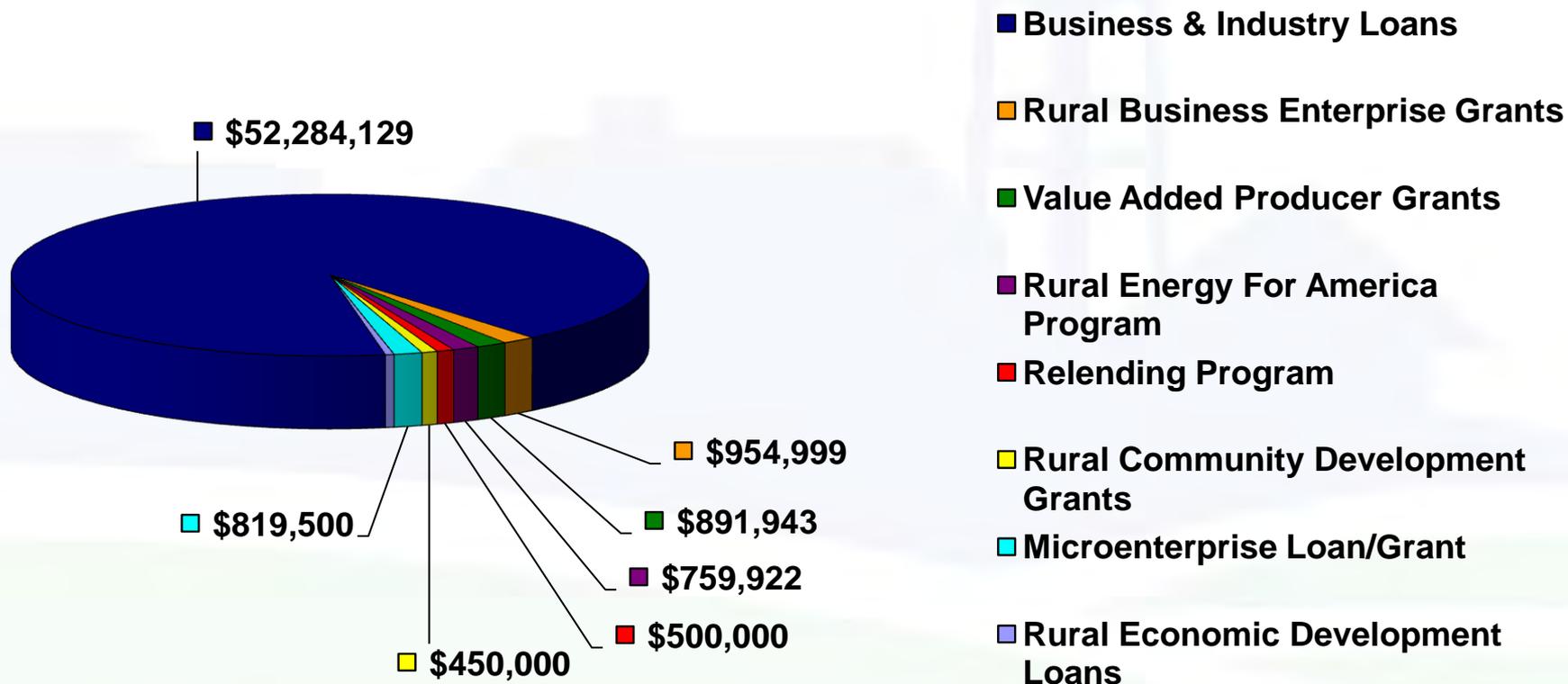
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2010 Rural Business Programs in VA



TOTAL
\$56,910,493



2010 Rural Business Programs

1047 Jobs

USDA Rural Development Programs
helped to create or save
Over 1000 Jobs
for Virginia Residents



\$56.9 Million

Business and Industry Guaranteed Loan Program,
funding more than \$56.9 million for rural Virginia Businesses



Business & Industry Loan Guarantees

- Used for economic development projects in rural areas (cities less than 50,000) examples include manufacturing facilities, hotels, restaurants, cotton gins, movie theaters, auto repair facilities, medical laboratories ...
- Can be used for construction, equipment purchases, permanent working capital and refinancing in certain cases

Business & Industry Loan Guarantee

- Provides guarantees in case of loss to lender
- Encourages lenders to make loans that they may not make otherwise
- Lenders usually offer longer terms and rate stability (longer fixed rates)
- Improves profitability for lenders if they utilize secondary markets



Business & Industry Loan Guarantee

- Loans are fully collateralized on a discounted basis
- Requires equity investment by owner of 10% to 20% of project cost



Business & Industry Loan Guarantees - Best Practices

- The strongest applications are those that can show at least three years of profitability and can cash flow to service the debt
- All collateral must secure the loan. No separate collateral for the unguaranteed portion of loan
- Management must demonstrate experience in the industry and competence in production, marketing, finance and personal management



Helpful Websites for B&I Program

- 1. National website to B&I Guaranteed Loan Program:
http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm
- 2. Map site for RD Office Contact Information:
http://www.rurdev.usda.gov/recd_map.html
- 3. B&I Instruction 4279-B Loan Making
<http://www.rurdev.usda.gov/regs/regs/pdf/4279b.pdf>
- 4. B&I Instruction 4279-A General
<http://www.rurdev.usda.gov/regs/regs/pdf/4279a.pdf>
- 5. B&I Forms <http://www.rurdev.usda.gov/regs/formstoc.html>



Rural Business Enterprise Grants

- Grants made to assist small and emerging privately-owned businesses in rural areas (cities less than 50,000 population)
- Small and emerging business are those that employ 50 people or less and have annual revenue of less than \$1 million
- Grants of \$100,000 or less score the highest



Rural Business Enterprise Grants

Can be used for various purposes:

- Construction (examples – business incubator, farmers' market)
- Adult workforce training
- Revolving loan funds
- Technical Assistance (examples – business planning, feasibility studies, business training)
- Equipment



Rural Business Enterprise Grants

Best Practices

- Well planned projects that show how economic development will be achieved in the community
- For Relending utilization, the recipient organization must have experience in relending practices and assisting as a business incubator
- The best applicants for this program typically involve other partners to assist in the overall project

Rural Business Enterprise Grants

- To access the program, contact the Rural Business Specialist in your area.
- Map site for RD Office Contact Information:
http://www.rurdev.usda.gov/recd_map.html



State Contacts for RD Rural Business Programs

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