USDA Rural Development
Rural Business—Cooperative Service

Energy Programs
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Section 9003)

Assists emerging technologies:

1. Biorefineries
   • Advanced Biofuels
   • Renewable Chemicals
   • Biobased Products

2. Biobased Product Manufacturing
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Section 9003)

- Guarantees on loans of up to $250 Million
- Loan amount NTE 80% of eligible project cost
- Rates and terms negotiated with lender
- Eligible lenders are Federal and State chartered banks and Farm Credit Services Institutions
Rural Energy for America Program (REAP)

REAP grant and loan guarantee program (up to 75% of project cost) to assist:

- Agricultural Producers and
- Rural Small Businesses)

to:

1) Purchase renewable energy systems
2) Make energy efficiency improvements
Rural Energy for America Program (REAP)

✓ **LOAN SIZE**
  - Minimum Loan Amount: $5,000
  - Maximum Loan Amount: $25,000,000

✓ **OTHER FUNDS REQUIRED**
  - 25% of project costs

✓ **MAXIMUM TERM LIMITS**
  - Working Capital – 7 Years
  - Machinery & Equipment – 15 Years *(or useful life, which every is less)*
  - Real Estate – 30 Years

✓ **INTEREST RATE**
  - Fixed or Variable; if variable cannot adjust more then quarterly
  - Negotiated between lender and borrower
Business & Industry Program (B&I)

B&I loan guarantee program to assist rural businesses (no size limitations) to:

1) Create jobs
2) Foster economic development
3) Improve the environment
Business & Industry Program (B&I)

✓ **LOAN SIZE**
  • Maximum Loan Amount: $25,000,000 to a borrower
  • Up to $40MM for rural cooperative organizations

✓ **BALANCE SHEET EQUITY REQUIRED**
  • 10% TNW for existing businesses
  • 20% TNW for new businesses

✓ **MAXIMUM TERM LIMITS**
  • Working Capital – 7 Years
  • Machinery & Equipment – 15 Years *(or useful life, which ever is less)*
  • Real Estate – 30 Years

✓ **INTEREST RATE**
  • Fixed or Variable; if variable cannot adjust more then quarterly
  • Negotiated between lender and borrower
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