June 12–14
Pacific Grove, California
nativecdficonvening.org

2018 Native CDFI Capital Access Convening

Bringing Native CDFIs, Funders, and Investors Together to Bring Capital to Native Communities
Federal Granting and Lending Programs:

A Discussion about the SBA Microlender Program and USDA Rural Development
SESSION PURPOSE:

- Representatives from USDA Rural Development and U.S. Small Business Administration will discuss low interest loan and grant programs — including how to locate more detailed information on Native CDFI eligibility, application process, loan terms/conditions, compliance reporting.

- Two NCDFI representatives share insights, experience and advice for working effectively with both the USDA RD and US SBA Microloan Program.
SESSION GOALS:

• Share information to help understand if and when these Federal USDA & SBA programs may be a fit with your NCDFI operations/missions —

• NCDFI perspectives on working productively with USDA RD and US SBA Microloan Programs —

• Leave with sufficient information, contact information, resources to facilitate a follow-up deeper dive into understanding USDA RD Programs and the SBA Microlending Programs…
PRESENTATION APPROACH

- ~20 minutes – **Kay Mardon**, Lender Relations Specialist, Fresno District Office, U.S. Small Business Administration
- ~10 minutes – **Gary Mejchar**, Project Manager First American Capital Corp Milwaukee, WI – Experience with SBA Microloan Program
- ~20 minutes - **Tedd Buelow**, National Native American Coordinator, USDA-RD Denver, CO – Intermediary Relending, Rural Business Development, Rural Micro-entrepreneur Assistance Programs
- ~10 minutes – **Ted Piccolo**, Executive Director Northwest Native Development Fund Coulee Dam, WA – Experience with USDA-RD/SBA
- ~30 minutes – Open Q&A/Discussion
Introduction to the Office of Economic Opportunity - Microloan Program

U. S. Small Business Administration – www.SBA.gov
Agenda

1. Office of Economic Opportunity Programs
2. Microloan Program - How it works
4. Resources / Contacts
5. Microloan Program – Application Process
### Office of Economic Opportunity (OEO)

<table>
<thead>
<tr>
<th>Program</th>
<th>Loan/Grants &amp; Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Advantage (CA)</strong></td>
<td>- Loan Guaranty – up to $250K – Non-profit Lenders</td>
</tr>
<tr>
<td><strong>Intermediary Lending Pilot Program (ILPP)</strong></td>
<td>- Direct Loans – up to $200K – Non-profit Lenders</td>
</tr>
<tr>
<td><strong>Microloan Program</strong></td>
<td>- Direct Loans – up to $50K – Non-profit Lenders</td>
</tr>
<tr>
<td></td>
<td>- Technical Assistance Grants</td>
</tr>
<tr>
<td><strong>PRIME Grant Program</strong></td>
<td>- Grants up to $250K</td>
</tr>
<tr>
<td></td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td></td>
<td>- Capacity Building</td>
</tr>
<tr>
<td></td>
<td>- Research and Development</td>
</tr>
</tbody>
</table>
The Microloan Program was created to assist women, low income, minority, veteran entrepreneurs, and others in obtaining small amounts of business capital, along with business-based training and technical assistance.

Microloans must be made to for-profit businesses. Non-profit child care businesses are also eligible.
How the Microloan Program Works

- **SBA**
  - Lends $ to Intermediary Lender
  - Provides grants $ to Intermediary Lender to help offset cost of providing Training and Technical Assistance (TA)

- **Intermediary Lender**
  - Lends $ to Microbusinesses
  - Provides Training and TA to microbusinesses
  - Repays SBA

- **Microbusiness**
  - Borrows Funds for Business Growth
  - Repays Loan to Intermediary Lender
## How the Microloan Program Works

**SBA Loans to Intermediary Lenders**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| **Max. Borrowing** | • $750,000 (1st loan)  
• $2,500,000 (subsequent loans)  
• $5,000,000 (Maximum Program Debt Outstanding)                                                                                   |
| **Maturity**     | • 10 Years from Date of Note                                                                                                                                                                     |
| **Interest Rate** | • 5 year T-Bill Rate less 2% for average microloan size under $10,000; otherwise less 1.25%                                                                                                       |
| **Collateral**   | • Intermediary’s Microloan Revolving Fund, Loan Loss Reserve Fund, and Microloan Notes                                                                                                           |
| **Matching Funds** | • 15% of Loan Disbursements must be matched with non-borrowed, non-Federal funds                                                                                                            |
| **Use of Proceeds** | • To make direct, short term, fixed rate loans of $50,000 or less                                                                                                                                |
# How the Microloan Program Works

## Loans from Intermediary to Microbusiness

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan Amount</strong></td>
<td>- Up to $50,000</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>- Up to 6 years (72 months)</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>- Fixed rate, up to:</td>
</tr>
<tr>
<td></td>
<td>- Cost of Funds + 8.50% (if microloan is $10,000 or less)</td>
</tr>
<tr>
<td></td>
<td>- Cost of Funds + 7.75% (if microloan is above $10,000)</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>- To make loans for supplies, furniture, fixtures, materials, equipment, or working capital</td>
</tr>
<tr>
<td><strong>Collateral</strong></td>
<td>- Required at Intermediary’s discretion – flexibility in structuring loan</td>
</tr>
<tr>
<td><strong>Underwriting/Servicing</strong></td>
<td>- Decisions made by Intermediary - not SBA</td>
</tr>
<tr>
<td></td>
<td>- According to Intermediary’s policies and procedures</td>
</tr>
</tbody>
</table>
How the Microloan Program Works
Technical Assistance Grants

SBA provides Grant funding to Intermediary Lenders who in turn provide free business training and Technical Assistance to their microbusiness clients.

– Intermediary provides ongoing training and technical assistance to microbusinesses (minimum 50% for post-loan TA)

– Grant dollars help defray the cost of providing training and technical assistance to micro borrowers and potential micro borrowers.

– Grant Amount up to 25% of Intermediary’s outstanding debt to SBA.

– 25% matching funds required
## Microloan Program Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Highlight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Intermediary Lenders (Current)</td>
<td>150 (Approx.)</td>
</tr>
<tr>
<td>SBA Loans Disbursed to Micro-Lenders (Historical)</td>
<td>$541 Million (as of 05/08/18)</td>
</tr>
</tbody>
</table>
| Microloans Closed (Historical) | 71,700 Loans Closed  
$893 Million Funded to Micro Businesses  
$12,443 (Avg. Microloan Size) |
| Jobs Created/Retained (Historical) | Created – 103,648  
Retained – 154,913 |
## Program Highlights

### Current Year / Past 5 FY Comparison

<table>
<thead>
<tr>
<th>Microloans Closed</th>
<th>FY2017</th>
<th>FY2012 – 2017 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Closed</td>
<td>4,986</td>
<td>4,467</td>
</tr>
<tr>
<td>Dollars Closed</td>
<td>$69,211,996</td>
<td>$58,742,246</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underserved Market Indicators</th>
<th>FY2017</th>
<th>FY2012 – 2017 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Ups</td>
<td>37.75%</td>
<td>42.597%</td>
</tr>
<tr>
<td>Women-Owned</td>
<td>46.67%</td>
<td>49.38%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16.61%</td>
<td>22.13%</td>
</tr>
<tr>
<td>African American</td>
<td>32.87%</td>
<td>29.81%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs Data</th>
<th>FY2017</th>
<th>FY2012 – 2017 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Created</td>
<td>6,737</td>
<td>6,477</td>
</tr>
<tr>
<td>Jobs Retained</td>
<td>11,936</td>
<td>10,511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Microloan Data</th>
<th>FY2017</th>
<th>FY2012 – 2017 Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Size</td>
<td>$13,881</td>
<td>$13,147</td>
</tr>
<tr>
<td>Average Interest Rate</td>
<td>7.56%</td>
<td>7.63%</td>
</tr>
<tr>
<td>Months Average Term</td>
<td>39 Months</td>
<td>38 months</td>
</tr>
</tbody>
</table>
Microloan Program Resources / Contacts

- URL for SBA Microloan Webpage
  –  https://www.sba.gov/partners/lenders/microloan-program

- List of Active Intermediary Lenders
  –  Found at the bottom of the Microloan Webpage
  –  https://www.sba.gov/partners/lenders/microloan-program/list-lenders

- Microloan Program SOP (52 00 B effective 7/1/2018)

- Daniel Upham, Chief, Microenterprise Development Division
  –  Daniel.upham@SBA.gov
  –  202-205-7001
SBA Microloan Program Application Process

WHAT DOES SBA LOOK AT IN A NEW APPLICATION?

• **Eligibility**
  – Non-Profit
  – At least 1 Year Direct Lending & Loan Servicing Experience
  – At lease 1 Year In-house Technical Assistance Experience

• **Qualification**
  – Personnel – Relevant Micro-lending Experience
  – Lending – Experience
  – Training / TA Experience
  – Financial Strength/Stability
SBA Microloans Program Application Process (Cont’d.)

WHAT’S REQUIRED IN THE APPLICATION?
1 - cover sheet.xls
2 - SBA 1081.pdf
3 - Lending History Chart.xls
4 - Cost of Lending Calculation.xls
5 - Item 10 Chart.xls
6 – Cert. of Contracts sba1711.pdf
7– Disclosure of Lobbying Activities sflllin.pdf
8 – Debarment sba1623.pdf
9 – Resolution of the Board of Directors sba160.pdf
10 –Security Agreement SBA1059.pdf
11 - Microloan SOP 52 00 (FINAL).pdf
WHERE DO I GET THE APPLICATION ZIP FILE?
• From the Local SBA District Office
  – https://www.sba.gov/tools/local-assistance/districtoffices

WHERE DO I DELIVER COMPLETED APP.?
• To the Local SBA District Office

WHAT HAPPENS NEXT?
  – SBA District Office reviews for Completeness / Delivers to HQ
  – HQ Reviews for Eligibility and Qualification / Makes Final Decision
## Application Process (Cont’d.) - Cover Sheet

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Applicant's signed statement giving SBA permission to obtain additional information regarding applicant’s relationship with creditors, other federal agencies, or other entities as necessary to evaluate this application.</td>
</tr>
<tr>
<td>2</td>
<td>A copy of applicant’s IRS tax exempt certificate, Conflict of Interest Policy, and a Certificate of Good Standing from the Secretary of State.</td>
</tr>
<tr>
<td>3</td>
<td>A complete copy of the applicant’s Mission Statement, Articles of Incorporation, and Bylaws, as amended.</td>
</tr>
<tr>
<td>4</td>
<td>An organizational chart with explanation.</td>
</tr>
<tr>
<td>5</td>
<td>A list of corporate officers and directors with a resume and Form 1081 for each individual listed.</td>
</tr>
<tr>
<td>6</td>
<td>A list of personnel instrumental to the microlending operation (current and proposed) with a resume and a Form 1081 for each individual listed.</td>
</tr>
<tr>
<td>7</td>
<td>Copies of the Applicant’s year end audited financial statements for the last three years. If application is submitted after July 1 of any given year, also submit Year to Date balance sheets. Also, include a separate schedule of non-federal sources of funding, and funds received, for the period covered by the financial statements.</td>
</tr>
<tr>
<td>8</td>
<td>Completed charts, suggested formats attached, regarding client demographics, lending activities, technical assistance (TA) activities, and delivery costs. Also include a set of loan policies and procedures.</td>
</tr>
<tr>
<td>9</td>
<td>A map of the current area of operation.</td>
</tr>
</tbody>
</table>
| 10 | A description of the applicant’s current service area detailing the following:  
   a. identification of urban, rural, and/or distressed areas (see definition) within the service area.  
   b. characteristics of the area’s small business community with analysis of micro-level financial and technical assistance needs.  
   c. charts, suggested formats attached, regarding economic, unemployment, and poverty characteristics. |
| 11 | A 6-10 page narrative detailing microlending and TA programming provided to date and planned uses of the subject funds for changes or expansion of the applicant’s current activities. Include information regarding:  
   a. any planned geographic expansion (provide expanded maps and appropriate charts)  
   b. a description of current microenterprise activities and any lending and TA expansion/enhancement plans subject to approval of this application.  
   c. current and planned integration of internal TA programming with other community resources. |
| 12 | Signed forms (provided) as follows:  
   a. Certification for Contracts, Grants, Loans and Cooperative Agreements (SBA Temp Form 1711)  
   b. Disclosure of Lobbying Activities (SF LLL)  
   c. Certification Regarding Debarment, Suspension, and other Responsibility Matters - Primary Covered Transactions (SBA Temp Form 1623)  
   d. Compensation Agreement (SBA Form 159)  
   e. Resolution of the Board of Directors (SBA Form 160)  
   f. Security Agreement |
APPLICATION RULES

1. Read the Microloan Program SOP
2. Give clear description of current lending and TA programs
3. Follow the directions / Cover Sheet carefully
4. Only deliver a complete application
5. Use the Lending History and TA History templates provided
Questions and Point of Contact
The FACC SBA Microloan Program Case Study

- **Investment to become a NCDFI SBA Microlender and ROI** — 3 FTE
  Loan Deployment/Servicing, TA Delivery, Compliance Reporting, Matching Funds

- **SBA Microlending performance to date** — Reducing dependency on grants by using less vulnerable debt programs


- **High-level overview of SBA Microlending Program moving parts:**
  - Monthly MPERS (online portfolio updates)
  - Performance requirements — Lending Limits/Loan Production/Charge offs
  - Quarterly MRF/LLRF Bank Account Reconciliation Reports
  - Quarterly SBA TA Reimbursement Workbook
  - Monthly P&I Payments — ten year term
### Monthly MPERS* Report

**Microloan Program Electronic Reporting System**

<table>
<thead>
<tr>
<th>Lender Id:</th>
<th>55052071</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location Id:</td>
<td>447150</td>
</tr>
<tr>
<td>Lender Name:</td>
<td>First American Capital Corp.</td>
</tr>
<tr>
<td>Address:</td>
<td>10710 W Scharles Ave</td>
</tr>
<tr>
<td>City:</td>
<td>Hales Corners</td>
</tr>
<tr>
<td>State:</td>
<td>WI</td>
</tr>
<tr>
<td>Zip:</td>
<td>53130-0231</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>414-604-2044</td>
</tr>
<tr>
<td>Fax Number:</td>
<td>414-433-2953</td>
</tr>
<tr>
<td>Program Start Dtl:</td>
<td>04/12/2007</td>
</tr>
<tr>
<td>Program End Dtl:</td>
<td></td>
</tr>
<tr>
<td>Cumulative Net Default Rate:</td>
<td>8.79%</td>
</tr>
<tr>
<td>Total Dollars Loaned:</td>
<td>$1,344,172.92</td>
</tr>
<tr>
<td>SBA Loan Number:</td>
<td>41008050-01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Page Number 1 of 1.</th>
</tr>
</thead>
</table>

#### Microloans for SBA Loan # 41008050-01

<table>
<thead>
<tr>
<th>Loan Seq #</th>
<th>Borrowers</th>
<th>0 to 30</th>
<th>31 to 60</th>
<th>61 to 90</th>
<th>91 to 120</th>
<th>over 120/Def</th>
<th>PIF</th>
<th>CO</th>
<th>Outstanding Principal Balance</th>
<th>No Chg</th>
<th>No Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>60447</td>
<td></td>
<td>30</td>
<td>80</td>
<td>90</td>
<td>120</td>
<td>DEF</td>
<td>PIF</td>
<td>CO</td>
<td>$12,947.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65452</td>
<td></td>
<td>30</td>
<td>80</td>
<td>90</td>
<td>120</td>
<td>DEF</td>
<td>PIF</td>
<td>CO</td>
<td>$1,145.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66105</td>
<td></td>
<td>30</td>
<td>80</td>
<td>90</td>
<td>120</td>
<td>DEF</td>
<td>PIF</td>
<td>CO</td>
<td>$3,707.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>63241</td>
<td></td>
<td>30</td>
<td>80</td>
<td>90</td>
<td>120</td>
<td>DEF</td>
<td>PIF</td>
<td>CO</td>
<td>$6,150.34</td>
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<td></td>
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<tr>
<td>68487</td>
<td></td>
<td>30</td>
<td>80</td>
<td>90</td>
<td>120</td>
<td>DEF</td>
<td>PIF</td>
<td>CO</td>
<td>$3,780.60</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Quarterly MRF/LLRF Bank Account Reconciliation Reports

**YEAR** FY2016  
**Quarterly Report**  
**As of:** 3/31/2016  
**U.S. SMALL BUSINESS ADMINISTRATION**  
**MICROLOAN PROGRAM**  
**COMBINED MRF & LLRF STATUS REPORTS**

**ATTACH:**  
- 3 MONTHS BANK STATEMENTS FOR THE MRF ACCOUNT  
- 3 MONTHS BANK STATEMENTS FOR THE LLRF ACCOUNT  
Evidence of SBA’s prior written approval for any amounts noted as "Other Disbursements."

**Name of Insured Depository Institution:** PNC Bank  
**Location of Institution:** 10725 W. National Ave., West Allis, WI 53227  
**SBA Loan Number:** 4100805001  
**Bank Account #:**

#### MRF RECONCILIATION

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>DOLLAR AMOUNT</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Balance from Previous Quarter</td>
<td>159,340.89</td>
<td>Bank Stmt @ 1/1/2016</td>
</tr>
<tr>
<td>2 Deposits to MRF account - Source: SBA</td>
<td>0.00</td>
<td>Bank Stmt @ 1/1/2016</td>
</tr>
<tr>
<td>Borrowers X Interest X LLRF Other</td>
<td>5,433.97</td>
<td>Borrowers' repayments, Interest</td>
</tr>
<tr>
<td>3 Less: Disbursements to Microloan Borrowers</td>
<td>(20,700.00)</td>
<td>Two loan closings - $10K &amp; $10,700</td>
</tr>
<tr>
<td>4 Less: Funds disbursed to LLRF account</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>5 Less: Repayment to SBA</td>
<td>(8,910.93)</td>
<td>3 mos. @ $2,970.31/MO</td>
</tr>
<tr>
<td>6 Less: Other disbursements*</td>
<td>(0.42)</td>
<td>Bank svc chgs $0.14</td>
</tr>
<tr>
<td>7 Balance: End of Quarter</td>
<td>135,163.51</td>
<td>Bank Stmt @ 3/31/2016</td>
</tr>
</tbody>
</table>

*Subject to SBA's Prior Written Approval*
### LLRF RECONCILIATION

<table>
<thead>
<tr>
<th>SBA Loan Number: 4100805001</th>
<th>Bank Account #:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>DOLLAR AMOUNT</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BALANCE, BEGINNING OF QUARTER</td>
<td>18,594.36</td>
<td>Bank Stmt Bal @ 1/1/2016</td>
</tr>
<tr>
<td>2 Deposit to LLRF account - Source FCP Foundation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowers Interest X LLRF X Other</td>
<td>0.92</td>
<td>Interest earned</td>
</tr>
<tr>
<td>3 Less: Disbursements to MRF account</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>4 Less: Other Disbursements*</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>5 BALANCE, END OF QUARTER</td>
<td>18,595.28</td>
<td>Bank Stmt Bal @ 3/31/2016</td>
</tr>
</tbody>
</table>

*Total outstanding balance of microloans this quarter (total of column #9 of microloan portfolio status report) | 82,277.12 | Seven (7)* active loans at 3/31/2016 |

$82,277.12 x 15% = $ 12,341.57 |

LLRF Excess (shortage): $ 6,253.71

**Comments:** *

Name of Intermediary Lender: First American Capital Corporation
Street Address: 10809 West Lincoln Ave., Suite 102
City: West Allis, WI 53227
Reported By: Craig Anderson, Ex Dir Signature: 4/22/2016
Print Name and Title
Quarterly SBA TA Reimbursement Workbook

-see workbook demonstration-
FACC Microloan Underserved Target Market
Rural Business Development Grant (RBDG) Basics

• RBDG is a grant program that supports:
  o Capitalize a revolving loan fund
  o Technical Assistance
  o Feasibility Studies
  o Purchase of Real Estate (Business incubator)
  o Purchase of Equipment
• All assistance to a business is **indirect**
• Assistance must be provided to a “Small and Emerging Business”
  o “Any private business which will employ 50 or fewer new employees and has less than $1 million in projected gross revenues”

[Link to USDA RBDG program](http://www.rd.usda.gov/programs-services/rural-business-development-grants)
RBDG Good to Know

- Grants are capped at $500,000 (not statutory)
  - Average tribal grant last year was ~ $97k
  - One $500k tribal grant was awarded last year
  - Regular program grants are more competitive & smaller
- Matching funds are not required
- Leveraged funding is a scoring criteria
  - This makes a huge difference in the regular program
  - Not as critical with tribal funding
- Must assist businesses in rural areas of 50,000 or less
- Enterprise and Opportunity type projects
- **FY 18 Tribal Funds: $3.75 million**
- FY 18 Regular Program: $29.5 million
- All FY 18 Applications were due April 30th

Intermediary Relending Program (IRP) - Basics

- Direct loan made to Intermediary
- Terms: 30 years 1% fixed interest rate
  - 3 year deferral period is available
- Max loan: Up to $2 million for the first financing
  - Up to $1 million at a time thereafter
  - Total aggregate debt cannot exceed $15 million
- Loan funds are lent to businesses (Ultimate Recipients)
  - Terms of loans are negotiated between parties
  - Initial round is concurred on by Rural Development (Agency)
    - Administrative review only
    - Agency does **not** underwrite files
- The spread between the rate charged the Intermediary (1%) and that charged to the Ultimate Recipients is used to help pay administrative costs

www.rd.usda.gov/programs-services/intermediary-relending-program
IRP – Good to Know

• Max loan to ultimate recipient: $250,000 or **75 percent** of the total cost of the ultimate recipient's project for which the loan is being made, whichever is less
  - Portfolio: No more than 25 percent of an IRP loan may be used for loans to ultimate recipients that exceed $150,000. This limit does not apply to revolved funds

• Loans to ultimate recipients must be for community development or businesses in areas of 50,000 or less

• Applications are accepted quarterly

• **FY 18 Tribal Funds:** $2.4 million

• **FY 18 Regular Program:** $11.8 million

www.rd.usda.gov/programs-services/intermediary-relending-program
Rural Microentrepreneur Assistance Program (RMAP) - Basics

• The revolving loan fund portion of this program works like the IRP with the following differences:
  • Max loan to intermediary is $500,000 (min loan = $50,000)
  • Max loan to Ultimate Recipients is $50,000
  • Total aggregate debt to MDO is capped at $2.5 million
  • Ultimate Recipient must be “microenterprise” defined as a business with a max of 10 employees
• Max term to intermediary is 20 years with an interest rate of 2%
• Loan Funds are awarded in conjunction with a grant (up to $205,000 annually)
• The grant will fund technical assistance and pay administrative costs (15% matching funds requirement)
• Must assist microenterprises in rural areas of 50,000 or less

www.rd.usda.gov/programs-services/rural-microentrepreneur-assistance-program
RMAP – Good to Know

What terms are required on loans to ultimate recipients?
- Up to $50,000
- Fixed interest rate
- Limited to 75 percent of project cost

How may funds be used?
- Microlenders may make microloans for qualified business activities and expenses including, but not limited to:
  - Working capital
  - Debt refinancing
  - Purchase equipment and supplies
  - Improve real estate
- No Tribal specific funding
- FY 18: $7.5 million for loans and $2.2 million for grants
- Applications are accepted on an ongoing basis
Innovation – Native CDFI Homeownership Relending Pilot

Announced May 31, 2018

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