

# SMALL BUSINESS/ECONOMIC DEVELOPMENT

The following information about funding included in the American Recovery and Reinvestment Act of 2009 was compiled by the Office of Congressman Silvestre Reyes. This document is intended to provide the public with basic information of potential federal assistance and funding opportunities. Those interested in these or similar programs should contact the appropriate federal and state agencies for detailed information. Please note: not all applicable programs are included below; the following information is subject to change; and additional requirements, restrictions and guidance may apply.

**Loan: Small Business Administration - 7(a) Loan Guarantee Program**

Amount: \$375 million

Agency: Small Business Administration (SBA)

Provision: Temporary fee elimination - SBA is directed to collect no fee or reduce fees to the maximum extent possible for the 7(a) loan program. SBA may guarantee up to 90% of 7(a) loans.

Purpose: To ensure small businesses maintain access to 7(a) loans that may be used to establish a new business or to assist in the operation, acquisition or expansion of an existing business.

Website: <http://www.sba.gov/services/financialassistance/sbaloantopics/7a/>  
<http://www.sba.gov/services/financialassistance/index.html>

**Loan: Small Business Administration- 504 Loan Program**

Amount: \$375 million

Agency: Small Business Administration (SBA)

Description: Funds to ensure small businesses maintain adequate access to 504 loans. 504 loans may be used for purchasing land and improvements, including existing buildings, grading, street improvements, utilities, parking lots and landscaping; construction of new facilities, or modernizing, renovating or converting existing facilities; or purchasing long-term machinery and equipment.

Website: <http://www.sba.gov/services/financialassistance/sbaloantopics/cdc504/index.html>  
<http://www.sba.gov/services/financialassistance/index.html>

**Grant: Business Stabilization Program**

Amount: \$225 million

Agency: Small Business Administration (SBA)

Description: To provide loans on a deferred basis to viable small business concerns that have a qualifying small business loan and are experiencing immediate financial hardship.

Website: [www.sba.gov](http://www.sba.gov)

**Grant: Economic Development Assistance**

Amount: \$150 million

Agency: Department of Commerce - Economic Development Administration

Description: Funds for economically distressed areas to generate private sector jobs. Priority consideration will be given to those areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Type: Competitive grants

Website: <http://www.eda.gov/InvestmentsGrants/Investments.xml>

**Grant:** **Community Development Financial Institutions**  
Amount: \$100 million  
Agency: U.S. Department of the Treasury  
Description: These funds will be used to help spur economic development and low-cost financial services to underserved communities.  
Website: <http://www.cdfifund.gov/recovery/>

**Loan:** **Micro-Loan Program**  
Amount: \$74 million  
Agency: Small Business Administration (SBA)  
Description: Provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.  
Website: <http://www.sba.gov/services/financialassistance/sbaloantopics/microloans/index.html>  
<http://www.sba.gov/recovery/index.html>

**Grant:** **Community Development Block Grant**  
Amount: \$19.5 million  
Agency: Office of Rural Community and Community Affairs  
Description: These funds will be used to help spur economic development in areas with  
populations of less than 50,000 and counties with populations of less than 200,000  
Type: Competitive Grants  
Website: [www.orca.state.tx.us](http://www.orca.state.tx.us)

**Grant:** **Economic Development Assistance**  
Amount: \$50 million  
Agency: U.S. Department of Commerce, Economic Development Administration  
Description: To provide assistance for economically distressed areas. Must develop a Comprehensive Economic Development System and grant will not be more than 50% of the cost of the project.  
Type: Competitive Grants  
Website: [www.eda.gov/PDF/FY/09ARRAFFOFINAL031309.pdf](http://www.eda.gov/PDF/FY/09ARRAFFOFINAL031309.pdf)

**Loan:** **Farm Operating Loans**  
Amount: \$174 million  
Agency: U.S. Dept. of Agriculture, Farm Agency, Texas Branch  
Description: Any farming or ranching establishment can apply for up to \$300,000 in loans used for operating expenses like tractor equipment or chemicals. About \$120 million of the \$173 million will go toward existing applications on backlog

Website:

[www.fsa.usda.gov/FSA/stateoffapp?mystate=tx&area=home&subject=landing&topic=landing](http://www.fsa.usda.gov/FSA/stateoffapp?mystate=tx&area=home&subject=landing&topic=landing)

**Grant: Indian Community Development Block Grant**  
Amount: \$10 million  
Agency: U.S. Dept. of Housing and Urban Development  
Description: Tribal governments can receive funding for infrastructure and housing projects in Indian communities  
Type: Competitive Grants  
Website: [www.hud.gov/recovery](http://www.hud.gov/recovery)

**Loan: Native American Loan Guarantees**  
Amount: \$10 million  
Agency: U.S. Dept. of the Interior, Bureau of Indian Affairs  
Description: Tribal governments and their leaders are eligible for loans to stimulate Native American economies in which unemployment far exceeds the national average.  
Deadline: 09-30-2009  
Website: <http://ublib.buffalo.edu/libraries/e-resources/ebooks/records/eem7085.html>

**Grant: Public Works and Economic Development Facilities Program**  
Amount: \$100 million  
Agency: U.S. Dept. of Commerce, Economic Development Administration  
Description: Local governments, businesses, and non-profits are eligible for grants that will support the construction or rehabilitation of public infrastructure and facilities necessary to generate or retain private sector jobs and investments  
Type: Competitive Grants  
Website: [www.eda.gov](http://www.eda.gov)

**Loan: Rural Business Program Account: Rural and Industry Guaranteed Loan Program**  
Amount: \$130 million  
Agency: USDA, Rural Business Cooperative Service  
Description: Any public or private entity with a private loan for rural economic or environmental development can apply for a USDA loan guarantee. Loans must be written for real estate, equipment, or working capital. USDA guarantees up to 80% of loan amount, depending on loan size. A 2% is charged at the beginning of guarantee, with an annual fee of 0.25% the loan balance. Collateral and equity required.  
Website: [www.rurdev.usda.gov/rbs/busp/b&l\\_gar.htm](http://www.rurdev.usda.gov/rbs/busp/b&l_gar.htm)

**Grant: Rural Business Program Account: Rural Business Enterprise Grants**  
Amount: \$20 million  
Agency: USDA, Rural Business Cooperative Service  
Description: Any rural public entity, including Indian Tribes and non-profits, can receive grants for real estate, capital, and infrastructure development that

further adult distance learning and education. No maximum grant and smaller projects get priority.

Type: Competitive Grants  
Website: [www.rurdev.usda.gov/tx](http://www.rurdev.usda.gov/tx)

**Loan: Small Business Investment Companies**

Amount: N/A  
Agency: Local Small Business Administration licensed Small Business Investment Companies

Description: Increases the percentage a SBIL can invest in a single small business to 10% of total capital. For small businesses with a net worth under \$18 million and average after tax net income for the prior two years under \$6 million, plus other restrictions.

Website: [www.sba.gov/aboutsba/sbaprograms/inv/esf/index.html](http://www.sba.gov/aboutsba/sbaprograms/inv/esf/index.html)

**Bond: Small Business Surety Bonds**

Amount: \$15 million  
Agency: Small Business Administration, Office of Surety Guarantees

Description: Expands Surety Bond Program by raising the amount that can be covered by an SBA guaranteed bond from \$2 million to \$5 million. These bonds are used by small businesses to bid on and obtain federal and other contracts.

Deadlines: 09/30/2009

Website: [www.sba.gov/services/financialassistance/suretybond/index.html](http://www.sba.gov/services/financialassistance/suretybond/index.html)