

## Business Programs



USDA Rural Development provides for business credit needs in under-served rural areas, often in partnership with private-sector lenders. Creating jobs and stimulating economic development can happen by growing and creating rural businesses and cooperatives.

### Business and Industry (B&I) Guaranteed Loans:

To help new and existing businesses gain access to affordable capital. Provides guarantees of up to 90% of loans made by private lenders. This helps lower the lender's risk and allowing for more favorable interest rates and terms.

#### BUSINESS ACTIVITIES EXAMPLES:

Business conversion, expansion, repair, modernization, or development \* Purchase and development of land, easements, rights-of-way, buildings or facilities \* Purchase of equipment, leasehold improvements, machinery, supplies, or inventory \* Working capital and debt refinancing

### Rural Business Development Grant Program (RBDG):

Grants are made to public bodies, non-profits, and tribal entities so that they may assist small and emerging businesses and or/non-profits in their communities create and support jobs. (Formerly the RBEG and RBOG programs)

#### RBDG EXAMPLES:

Technical assistance, training, planning for business and economic development

### Renewable Energy for America Programs (REAP):

Grant and loan guarantees to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements. Grants up to 25% of the total eligible project cost. Loan Guarantees on loans up to 75% of the total eligible project cost.

#### REAP EXAMPLES:

biomass, geothermal, wind, and solar projects, high efficiency heating, ventilation and air conditioning systems (HVAC), insulation, lighting, cooling or refrigeration units, doors and windows, and replacement of energy-inefficient equipment



USDA Rural Development, Alaska Office  
in partnership with the  
Bristol Bay Native Association

## Loan and Grant Programs

***"Committed to the Future of Rural Communities"***

To review all USDA Rural Development Loan and Grant programs, visit: [www.rd.usda.gov/ak](http://www.rd.usda.gov/ak)

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## Housing Programs



USDA provides homeownership opportunities to low, very-low, and moderate-income rural Alaskans through several loan, grant and loan guarantee programs. USDA Rural Development invites collaboration with other housing programs or funding sources to make Native Homeownership attainable.

### **502 Home Loan:**

Used to buy an existing house for sale or to build a new house. New homes must be built by a licensed and bonded contractor.

No downpayment required. Loans are low interest and have a 33 year repayment term. Good credit and stable income required.

### **504 Home Improvement Loan or Grant:**

To renovate an existing home that is owned and occupied by the applicant.

Used to make repairs and improvements that eliminate health and safety hazards, and make the home more safe and sanitary.

Can be a loan up to \$20,000 for 20 years at 1% interest for the very low income household.

Can be a grant up to \$7,500 only for those who are 62 years and older and cannot repay a loan.

Can be a combination of a loan and grant for those 62 years and older, depending on income, for a maximum of \$27,500.

### **Home Loan Guarantee:**

Moderate income households who can get a home loan from a commercial bank may have their loans guaranteed

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## Community Facilities Programs



Community Facilities are essential to the quality of life in any rural community. USDA Rural Development is striving to ensure that such facilities are readily available to all rural Alaskans. An upgraded facility saves energy costs, and usually decreases operations and maintenance expenses.

### **Community Facilities Grant:**

Up to \$50,000 in grant funds may be made available to communities whose median household income and population meet requirements.

25% of total project cost must be cash match.

### **Community Facilities Loan:**

Term limit may equal the useful life of the facility, the applicant's borrowing authority, or up to 40 years.

Low interest rates usually between 3.5 and 4.5% make loans affordable. No down payment required.

### **FUNDED EXAMPLES:**

fire stations \* fire and rescue equipment \* hospitals \* medical/dental clinics \* medical equipment \* alcohol treatment and prevention facilities \* community buildings \* city halls \* cultural centers \* libraries \* school facilities \* furniture for programs \* fuel storage tank repairs \* roads and street improvements \* street lights \* heavy equipment \* bridges \* harbor facilities \* ferries \* equipment to retrofit community facilities for renewable energy sources