

Intermediary Relending Program

What does this program do?

Provides low-interest loans to local intermediaries that relend to businesses and for community development projects in rural communities.

Who may apply for this program?

The following are eligible to be an intermediary lender:

- **Nonprofits and cooperatives**
- **Federally recognized Tribes**
- **Public bodies**

The following are eligible to apply for a loan from the intermediary lender as an ultimate recipient:

- **Ultimate recipients may be individuals, public or private organizations, or other legal entities, given that:**
- **Majority ownership is held by US citizens or permanent residents.**
- **The applicant owes no delinquent debt to the Federal Government.**
- **The applicant is unable to obtain affordable commercial financing for the project elsewhere.**
- **Are located in an eligible rural area - [Check Eligibility](#).**
- **The applicant has no legal or financial interest or influence in the intermediary.**

Are there other requirements?

Intermediaries must have:

- Legal authority to operate a Revolving Loan Fund (RLF).
- A record of successfully assisting rural businesses and communities, normally including experience in making and servicing commercial loans.
- The ability to provide adequate assurance of repayment of the loan.

How much funding is available to intermediaries?

- Up to \$2 million for the first financing (set through the NOSA process).
- Up to \$1 million at a time thereafter.
- Total aggregate debt is capped as defined by the funding notice.

What are the terms for the intermediary?

- Interest rate is fixed at 1%
- Maximum term is 30 years
- Interest-only payments may be permitted for the first 3 years.

What is the maximum loan amount available to ultimate recipients?

- \$250,000; or
- 75% 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 approved may be used for loans to ultimate recipients that exceed \$150,000. This limit does not apply to revolved funds.

What are the rates, terms, and payment structure on the loan to the ultimate recipient?

These are set by the intermediary in an amount sufficient to cover the cost of operating and sustaining the revolving loan fund.

How may funds be used?

- The acquisition, construction, conversion, enlargement, or repair of a business or business facility, particularly when jobs will be created or retained.
- The purchase or development of land (easements, rights of way, buildings, facilities, leases, materials).
- The purchase of equipment, leasehold improvements, machinery, or supplies.
- Start-up costs and working capital
- Pollution control and abatement
- Transportation services
- Feasibility studies and some fees
- Hotels, motels, convention centers
- Education institutions
- Aquaculture based rural small business
- Revolving lines of credit as described in [7 CFR Part 4274.314](#)

NOTE: ineligible loan purposes are listed in the Code of Federal Regulations [7 CFR Part 4274.319](#)

How can an organization become an intermediary lender?

Each year, Congress provides program funding as called for in the federal budget. Organizations interested in becoming RLF lenders through IRP are encouraged to review the online IRP Lender Training and contact your [local RD office](#).

What is an eligible area?

- Rural areas outside a city or town with a population of less than 50,000.
- Urbanized areas near a city of 50,000+ may not be eligible.
- The borrower's headquarters may be based within a larger city so long as the project service area is located in an eligible rural area.
- The lender may be located anywhere.

[Check eligible addresses for Business Programs](#)

How do we get started?

- Please reach out to your [RD State office](#) for additional information and to apply for the Intermediary Relending Program.

Who can answer questions?

- Intermediaries and ultimate recipients can contact an IRP intermediary lender serving your area. You may also contact your local office for assistance.

What governs this program?

- Basic Program – [7 CFR Part 4274](#)
- Loan Servicing – [7 CFR Part 4287](#)
- This program is authorized by the Food Security Act of 1985, Pub L. 99-198 (1985 Farm Bill).

Why does USDA Rural Development do this?

The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities. Intermediaries are encouraged to work in concert with State and regional strategies, and in partnership with other public and private organizations that can provide complimentary resources.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact [your local office](#) for assistance. You will find additional forms, resources, and program information at [rd.usda.gov](#). *USDA is an equal opportunity provider, employer, and lender.*