Select Federal COVID-19 Relief Funding and Financing Sources Reference Guide

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About DRA

Who We Are

Founded in 1980, David Paul Rosen & Associates (DRA) is an internationally recognized public policy and financial advisory consulting firm that brings state-of-the-art transactional and policy expertise to affordable housing, renewable energy and energy efficiency, land value capture and urban revitalization.

DRA has represented more than 300 clients in 44 states in the U.S., and on five continents. DRA's clientele includes national, state, regional and local government agencies, for-profit and nonprofit private sector clients ranging from Fortune 500 companies to financial institutions and foundations to community development corporations.

Uniquely, DRA combines expertise in both public policy and transactional discipline. DRA Principals have advised on more than $10 billion in development finance. DRA has pioneered finance and public policy initiatives in affordable housing, energy efficiency and renewable energy, land use planning for affordable housing, small business, economic development, banking, asset management, insurance, and urban planning.

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Introduction and Overview of Federal COVID Relief Funding and Financing

The Lincoln Institute of Land Policy made this reference guide possible to help enable states, regions and cities across the country to achieve maximum impact of the unprecedented flow of federal resources provided in various pandemic and economic recovery legislation over the last year. These deep general state assistance and project finance tools can be channeled into small business assistance, affordable housing and other community investment priorities – helping communities to deliver services, build infrastructure and make investments that will help ensure a more equitable and broadly shared economic recovery.

This Reference Guide provides profiles of available sources of federal funding and debt tools that may be used to build a pipeline of potential investments to benefit disadvantaged communities. It focuses on programs that can be leveraged with additional state and local debt, and includes funding opportunities provided by the following three major pieces of federal legislation passed by the U.S. Congress in 2020 and 2021:

2020 Coronavirus Aid, Relief and Economic Security Act (CARES Act):

The Coronavirus Aid, Relief, and Economic Security Act ("the CARES Act" or "the Act") (P.L. 116-136) was signed into law on March 27, 2020. It authorizes more than **$2.2 trillion** to battle COVID-19 and its economic effects, including immediate cash relief for individual citizens, loan programs for small business, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries.

Consolidated Appropriations Act, 2021:

The Consolidated Appropriations Act, 2021 (P.L. 116-260) became law on December 27, 2020. This $2.3 trillion spending bill combines **$900 billion** in stimulus relief for the COVID-19 pandemic with a $1.4 trillion omnibus spending bill for the 2021 federal fiscal year (combining 12 separate appropriations bills).

American Rescue Plan Act of 2021 (ARPA):

The American Rescue Plan Act of 2021 (ARPA) (P.L. 117-2) became law on March 11, 2021. ARPA provides **$1.9 trillion** in additional relief to respond to COVID-19. ARPA includes provisions on aid to state and local governments, hard-hit industries and communities, tax changes affecting individuals and businesses, and other provisions.

In addition to the above, on April 22, 2021, in honor of Earth Day 2021, the United States Department of Agriculture (USDA) announced that it is investing $487 million in critical infrastructure that will help communities in 45 states build back better and stronger while prioritizing climate-smart solutions and environmental stewardship. Several USDA programs impacted by this funding are profiled in this document as well.

Summary of Funding for Selected Federal Agencies

The following summarizes major funding provisions of the pieces of legislation described above for selected key federal agencies.

1. U.S. Department of the Treasury

1.1 CARES Act

- Provided $150 billion to States, Territories and Tribal Governments in direct payments to states in the Coronavirus Relief Fund.
- Provided Economic Impact Payments of up to $1,200 per adult for eligible individuals and $500 per qualifying child under age 17.

1.2 ARPA

- The State and Local Fiscal Recovery fund provides $350 billion dollars in emergency funding for state, local, territorial, and Tribal governments to remedy the mismatch between rising costs and falling revenues.
- The Coronavirus Capital Projects Fund (CCPF) takes critical steps to addressing many challenges laid bare by the pandemic, especially in rural America and low- and moderate-income communities, helping to ensure that all communities have access to the high-quality, modern infrastructure needed to thrive, including internet access.
- Provides nearly $10 billion for states, territories, and Tribes to provide relief for our country's most vulnerable homeowners.
- Provides $21.6 billion for states, territories, and local governments to assist households that are unable to pay rent and utilities due to the COVID-19 crisis.
- Provides $10 billion to state and Tribal governments to fund small business credit expansion initiatives.
- Phe Coronavirus Relief Fund provides for payments to state, local, and Tribal governments navigating the impact of the COVID-19 outbreak.

2. U.S. Department of Energy

2.1 Consolidated Appropriations Act, 2021

- Includes the American Energy Act of 2020, a sweeping package of energy provisions that includes significant new government support for energy investments. Among these is a revamped U.S. Department of Energy (DOE) loan guarantee program.

Important changes to this program may enable it to realize its promise (not previously fully realized) of advancing the deployment of innovative technologies in the U.S.

3. U.S. Department of Agriculture

3.1 Earth Day 2021 $487 million Investment

- Invests $374 million in the Water and Waste Disposal Loan and Grant Program to modernize rural drinking water and wastewater infrastructure in 31 states. Through its Water and Environmental Programs, USDA funds vital water infrastructure that directly benefits the health, economic vitality, and environment of rural America.
- Invests $78 million in renewable energy infrastructure in 30 states through the Rural Energy for America Program (REAP). This program helps agricultural producers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements. Projects financed under this program can help to reduce the amount of greenhouse gas pollution that affects our climate.
- Invests $17.4 million in loans in New Mexico and South Dakota through the Electric Loan Program to build and improve rural electric infrastructure and connect residents to affordable and dependable power.
- Invests $18.4 million in 20 states through the Higher Blends Infrastructure Incentive Program (HBIIP) to build infrastructure to help expand the availability of higher-blend renewable fuels by approximately 218 million gallons per year. This will give consumers more environmentally-friendly fuel choices when they fill-up at the pump.

4. U.S. Small Business Administration

4.1 CARES Act

- Created the $349 billion (now $806.45 billion) Paycheck Protection Program (PPP).
- Appropriated $17 billion for six-month payment relief for existing 7(a), 504/CDC, or Microloan borrowers. Loans fully disbursed up until six months after enactment (until September 27, 2020) were also eligible for six months of loan payments.
- Temporarily increased the SBAExpress loan limit from $350,000 to $1 million (reverting to $350,000 on January 1, 2021) and eliminated the zero subsidy requirement to waive SBAExpress loan fees for veterans.

4.2 Consolidated Appropriations Act, 2021

- Appropriated $3.5 billion to resume monthly payment relief for 7(a), 504/CDC, and Microloan borrowers, capped at $9,000 per month per borrower. Payments are dependent on when the loan was disbursed, the type of loan received, and the business's industry.
- Extended the temporary increase in the SBAExpress loan limit from $350,000 to $1 million (reverting to $500,000 on October 1, 2021).
- Increased the SBAExpress guaranty rate for loans of $350,000 or less from 50% to 75% in FY2021.
- Waived the SBA's fees for the 7(a) and 504/CDC loan guarantee programs in FY2021.
- Increased the 7(a) program's loan guaranty rate from 85% for loans of $150,000 or less and 75% for loans greater than $150,000 (up to a maximum guaranty of $3.75 million— 75% of $5 million) to 90% in FY2021.

4.3 ARPA

- Provides $53.6 billion for SBA program enhancements, including $28.6 billion for a restaurant revitalization grant program.

Summary of Select Federal Funding Opportunities

Federal Agency/ Program	Available Funding	Eligible Applicants	Financial Tools/Eligible Activities	Application Process/Deadline
Treasury Department				
Emergency Capital Investment	$9B One-Time	LMI CDFIs and MDIs	Long-term, low-cost equity and subordinated debt to participating institutions to support loans, grants and forbearance for small and minority-owned businesses and consumers in low income and underserved communities.	Application Deadline July 6, 2021
Emergency Support & Minority Lending	$1.7B	CDFIs, MLIs	Grant funding and technical assistance to CDFIs providing financial assistance, training, awards, and outreach programs. Details TBD.	Program expected to open early summer, 2021
State Small Business Credit Initiative	$10B in ARPA	State Dept. or Agency (typically EDAs)	Grant funding to State sponsored capital access, collateral support, loan guarantee, loan participation, and venture capital programs. Participating States must demonstrate a reasonable expectation of leveraging $10 of new small business financing for every $1 of SSBCI funding expenses.	States apply to Secretary of Treasury to be a participating State. Applications for states and Tribal governments due Dec. 11, 2021. Applications for municipalities in states that do not apply for SSBCI due March 11, 2022.
CDFI Rapid Response	$1.25B additional for FY2021[1]	CDFIs	Grants to institutions providing financial products and services, loan loss reserves, develop. services, and capital reserves for small and MO businesses in LMI communities.	Application Deadline March 25, 2021

[1] Minimum $25M must be awarded to benefit Native Communities.

Department of Energy				
Section 1703 Loan Guarantee	$40B total guar. author. In 2020[2]	Projects that employ new technologies to reduce air pollution	Guaranteed loans for projects that employ new or improved technologies avoid, reduce or sequester air pollutants or greenhouse gases. Recent provisions make program more functional by reducing credit subsidy and transaction costs.	DOE releases solicitations for applications, which are competitively reviewed.
U.S. Department of Agriculture				
Rural Water and Waste Disposal Program	$1.9B plus $374M 2021	State or local entities, private nonprofits, Indian tribes	Loans and grants for water and wastewater disposal systems to applicants unable to obtain commercial credit on reasonable terms. New provisions offer relief for borrowers affected by COVID.	Applications accepted by Rural Development State Offices on an ongoing basis.
Rural Energy For America Program	$78M for 2021	Agricultural producers (including nurseries and dairies) and rural small businesses	Grants and guaranteed loans for energy efficiency and renewable energy systems including wind, solar, biomass, and geothermal. This program was scheduled for elimination in the FY2020 but in April 2021, USDA announced investment of $78 million in this program for FY2021.	Applications accepted by Rural Development State Offices on an ongoing basis.
Business & Industry CARES Act Program	$1B CARES Act	For profit or nonprofit cooperatives, corporations, and partnerships and Indian tribes	Guaranteed loans to businesses that will provide employment, improve the economic or environmental climate, and/or promote use of renewable energy.	Businesses apply through Federal or State chartered banks, credit unions or savings & loan associations. September 15, 2021 application deadline for the $1B available under the CARES Act.
Community Facilities Direct Loan Program	$3.0B FY2021[3]	Public entities, non-profit corporations and tribal governments	Loans for development of essential community facilities in rural areas and towns of up to 20,000 in population.	Applications accepted by Rural Development State Offices on an ongoing basis.

[2] Amount still available for new lending not available.

[3] Includes $2.5B in Community Facilities direct loans and $500M in Community Facilities guaranteed loans.

U.S. Small Business Administration				
7(a) Small Business Loan Guarantee Program	$3.5B CARES Act	Borrowers must be for profit businesses meeting size and type criteria and underwriting criteria	Loan guarantees to start-up and existing small business unable to secure loans. The Consolidated Appropriations Act 2021 increased the guarantee from 85% to 90% for FY2021. The CARES Act provided $3.5B for debt relief under this program.	Borrowers apply for loans from participating commercial lenders, who apply to SBA.
CDC / 504 Fixed Asset Financing Program	$3.5B Consol. Approp. Act	Borrowers must be for profit businesses meeting size and type criteria and underwriting criteria	Fixed asset projects including land, improvements, construction, conversion, long term machinery, streets, utilities, parking. The Consol. Approp. Act provided $3.5B of funding, plus three months loan forgiveness (up to $9,000 per month) and lower fees.	504 loans are available exclusively through Certified Development Companies (CDCs), who apply to SBA.

Abbreviations:
CDFIs: Community Development Financial Institutions
EDA: Economic Development Agency
LIUC: Low Income and Underserved Communities
LMI: Low and Moderate Income
MDIs: Minority Depository Institutions
MLI: Minority Lending Institution (new category of CDFIs, yet to be defined)
MO: Minority-owned

Funding Program Profiles

EMERGENCY CAPITAL INVESTMENT PROGRAM (ECIP)

Administering Agency / Department	Department of Treasury
Program Description / Purpose	Support access to capital in communities traditionally excluded from the financial system and that have been detrimentally affected by the COVID-19 crisis through investment in Low and Moderate Income (LMI) Community Development Financial Institutions (CDFIs) and minority depository institutions (MDIs).
Size of Program / Appropriation	ECIP will provide up to $9 billion in capital directly to LMI CDFIs and MDIs to support the provision of loans, grants, and forbearance for small and minority-owned businesses and consumers in low-income and underserved communities, including: • $2 billion for participants with less than $500 million in assets; • $2 billion for participants with less than $2 billion in assets.
Eligible Applicants and/or Recipients	LMI CDFIs and MDIs are eligible to participate. Applicants must demonstrate that: • not less than 30% of the lending of the Applicant over the past two fiscal years was made directly to LMI borrowers or to borrowers that create direct benefits for LMI populations and/or other "Targeted Populations" (Black Americans, Hispanics, Asian Americans, Native Americans, Native Alaskans, Native Hawaiians and Other Pacific Islanders); and • they are not designated in "Troubled Condition" by the appropriate Federal Banking Agency or the National Credit Union Administration (NCUA), as applicable, or subject to a formal enforcement action for unsafe or unsound lending practices. For a list of certified CDFIs see this list.
Eligible Activities	Long-term, low-cost equity and subordinated debt for participating institutions to support LMI communities through the provision of loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in Low Income and Underserved Communities, including Persistent Poverty Counties, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic. Applicants must provide community outreach and communication regarding the availability of loans made possible by ECIP funds.

Program Limits	Each participant may only issue financial instruments to Treasury with an aggregate principal amount that is not more than $250 million and: • not more than 7.5% of Total Assets as of [Date TBD] for an institution with Total Assets of more than $2 billion; • not more than 15% of Total Assets as of [Date TBD] for an institution with Total Assets of more than $500 million and not more than $2 billion; and • not more than 22.5% of Total Assets as of [Date TBD] for an institution with Total Assets of less than $500 million.
Type of Financial Instrument	Treasury purchases 10-year senior perpetual noncumulative preferred stock or subordinated debt in CDFIs and MDIs intended to count as Tier 1 Capital. At the end of 10 years, the investment term can be extended as long as the issuer pays Treasury the highest dividend/interest rate payable to other investors. Early redemption by the issuer is allowed subject to conditions. The dividend/interest rate starts at 2% for preferred stock and 2.5% for debt (but not paid or accrued until after 24 months), then lowers to 1.25%/1.6% if the issuer increases defined lending 200% to 400%, or 0.5%/0.6% if the increase in defined lending exceeds 400%.
Application and Approval Process and Schedule	Applications determined to be complete will be reviewed and evaluated by the Treasury Department on an ongoing basis, in the order in which they are received, or by other such criteria that the Treasury Department may establish in its sole discretion. In addition to the items in the Eligible Applicants section above, to be eligible to receive a capital investment under ECIP, an applicant must submit an Emergency Investment Lending Plan that: • Describes how the business strategy/operating goals will address community needs in communities disproportionately impacted by COVID-19 through use of some combination of the Eligible Activities listed above; • Includes a plan for community outreach and communication; and • Includes details on how the applicant plans to maintain and/or extend lending and investment activities in LMI minority communities. Responses to the ECIP Application, including the Emergency Investment Lending Plan, will be used to determine investment amounts and/or prioritization of determinations. Treasury has extended the ECIP application deadline from May 7, 2021, until July 6, 2021.
Code / Regulation / Website /	Consolidated Appropriations Act, 2021 added Section 104A of the Community Development Banking and Financial Institutions Act of 1994. https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/emergency-capital-investment-program

EMERGENCY SUPPORT AND MINORITY LENDING PROGRAM

Administering Agency / Department	Department of Treasury
Program Description / Purpose	Expand lending, grant making, or investment activity in low and middle income (LMI) minority communities and to minority consumers that have significant unmet capital or financial services needs. Provides a combination of grant capital and technical assistance that target communities impacted by the pandemic.
Size of Program / Appropriation	$1.75 billion, including $1.2 billion set-aside for Minority Lending Institutions
Eligible Applicants and/or Recipients	Depository and non-depository CDFIs, including a set-side for a new category of CDFIs, "minority lending institutions," yet to be defined.
Eligible Activities	• Financial assistance • Training • Awards • Outreach programs
Program Limits	Details on this program are still pending
Application and Approval Process and Schedule	Program expected to open by early summer 2021
Code / Regulation / Website /	Consolidated Appropriations Act, 2021 added Section 104A of the Community Development Banking and Financial Institutions Act of 1994. https://home.treasury.gov/news/press-releases/jy0047

STATE SMALL BUSINESS CREDIT INITIATIVE

Administering Agency / Department	Department of Treasury
Program Description / Purpose	Allocate federal funds to participating states to strengthen state programs that support financing of small businesses.
Size of Program / Appropriation	The ARPA provides $10 billion in funding to SSBCI. Treasury has announced $6.2 billion in published allocations to states, territories, and the District of Columbia pursuant to Section 3003(b) and 3003(f) of the State Small Business Credit Incentive (SSBCI) Act of 2010 as amended by Subtitle C of Title III of the ARPA: https://home.treasury.gov/system/files/256/Preliminary-Allocation-for-States-Decline-in-Employment.pdf
Eligible Applicants and/or Recipients	Eligible applicants include a specific department, agency, or political subdivision of the state designated to implement a state program; typically the state's economic development agency. Community banks and CDFIs are the most active lenders in the credit support programs supported by SSBCI, representing 81 percent of the total number of loans supported by SSBCI, and are critical in helping SSBCI provide capital to underserved areas. To be eligible for funding, a Capital Access Program (CAP) is required to: i. Provide portfolio insurance for business loans based upon a separate loan-loss reserve fund for each financial institution; ii. Require insurance premiums to be paid by the financial institution lenders and by the business borrowers to the reserve fund to have their loans enrolled in the reserve fund; iii. Provide for contributions to be made by the State to the reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan; and iv. Provide portfolio insurance solely for loans not exceeding $5 million to borrowers with 500 or fewer employees. **To be eligible for funding, Other Credit Support Programs (OCSPs) must demonstrate:** i. $1 of public support will result in at least $1 of new private financing; ii. Individual guarantees will be limited to loans of not greater than $20 million and borrowers with 750 employees or fewer; and iii. On average, the program will target borrowers with 500 or fewer employees and loans with an average principal amount of $5 million or less.

Eligible Activities	State programs eligible for funding include Capital Access Programs (CAPs) and Other Credit Support Programs (OCSPs): • **Capital Access Programs** that provide portfolio insurance for business loans up to $5 million to businesses with less than 500 employees to help protect lenders from losses. • **Collateral Support Programs** that supplement collateral when borrowers do not otherwise meet loan-to-value ratio requirements for businesses that have no more than 750 employees and loans that average $5 million and do not exceed $20 million. • **Loan Guarantee Programs** that provide a repayment guarantee for a large portion of a loan in the event of default after collateral recovery efforts by the lender have failed. • **Loan Participation Programs** that provide subordinated or pari-passu debt to encourage senior lenders to increase loan size or reduce borrower interest expenses. • **Venture Capital Programs** that provide risk capital to small businesses with high growth potential. Participating States must demonstrate a reasonable expectation of leveraging $10 of new small business financing for every $1 of SSBCI funding expenses.

Type of Financial Product / Instrument

Type of Program	Financing Products	Typical Customers
Capital Access	Working capital	Micro-enterprises (less than 10 employees or $1 million in sales)
Collateral Support	Asset purchases, commercial real estate, gap financing for SBA 504 transactions	Established, growing businesses with a collateral shortfall
Loan Guarantee	Lines of credit, working capital, asset purchases, commercial real estate	Established businesses or turn-around situations
Loan Participation	Asset purchases, commercial real estate	Established businesses (i.e., more than 3 years of financials) with documented cash flow or collateral shortfall
Venture Capital	Seed, early stage, or growth capital	Start-ups or emerging small businesses (i.e., businesses with new products or growing markets)

Application and Approval Process and Schedule	States apply to the Secretary of the Treasury for approval to be a participating State. Requires designation of a specific department, agency, or political subdivision of the State to implement a State program. Applications for states and territories, Washington DC, and Tribal governments are due June 27, 2021. Applications for municipalities located in states that do not apply for SSBCI are due September 27, 2021. Municipalities interested in applying should look for further information on the SSBCI website beginning in late-June.
Code / Regulation / Website /	Small Business Jobs Act of 2010 https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci Program Evaluation of The US Department of Treasury State Small Business Credit Initiative, October 2016: https://www.treasury.gov/resource-center/sb-programs/Documents/SSBCI%20Program%20Evaluation%202016%20-%20Full%20Report.pdf

CDFI RAPID RESPONSE PROGRAM (CDFI RRP)

Administering Agency / Department	Department of Treasury/Community Development Financial Institutions (CDFI) Fund
Program Description / Purpose	New initiative with a streamlined application and review process designed to quickly and broadly deploy capital to certified CDFIs that provide financial services to low income communities and those that lack access to financing to assist small and minority-owned businesses.
Size of Program / Appropriation	$1.25 billion has been appropriated for the FY2021 funding round. A minimum of $25 million must be awarded to benefit Native Communities.
Eligible Applicants and/or Recipients	Certified Community Development Financial Institutions (CDFIs) including loan funds, credit unions, banks and depository institution holding companies, and venture capital funds. To qualify as a CDFI that serves Native Communities, 50% or more of the applicant's past activities must be directed to Native Communities and the applicant's Target Market area must be a designated Native Community. For a list of certified CDFIs, see this list.
Eligible Activities	Eligible activities include: • Financial products; • Financial services; • Loan loss reserves; • Development services; • Capital reserves; and • The greater of $200,000 or 15% of the grant may be expended to support operations, including compensation, professional services, travel, training and education, equipment, and supplies. Eligible lines of business include: • Commercial real estate; • Small business; • Microenterprise; • Community facilities; • Commercial and consumer financial products and services; • Affordable housing; and • Intermediary lending to nonprofits and CDFIs.
Program Limits	All awards will be in the form of a grant. Minimum: $200,000. Maximum: $5 million. Each CDFI Applicant may request up to 150% of its total financing products closed in an eligible market and/or target market for its most recent historic fiscal year, or the minimum of $200,000, whichever is greater.

Application and Approval Process and Schedule	To award funds as soon as possible, the application round for this program was only open for one month from February 25, 2021 to March 25, 2021. Non-competitive award designed to provide awards to the majority of applicants. Per the NOFA, CDFI RRP expects to award an estimated 1,000 awards with an average award size of $1.2 million. Awards will be made using a formula approach that takes into account criteria such as: • certification status; • financial and compliance performance; • portfolio and balance sheet strength; • a diversity of CDFI business model types; and • program capacity. The application will be similar to the CDFI and NACA programs to reduce the burden to applicants.
Code / Regulation / Website /	The Consolidated Appropriations Act, 2021 (Section 523 of Division N; Pub. L. No. 116-260) https://www.cdfifund.gov/programs-training/programs/rrp

SECTION 1703 LOAN GUARANTEE PROGRAM

Administering Agency / Department	U.S. Department of Energy (DOE) / Loan Programs Office
Program Description / Purpose	The Section 1703 Loan Guarantee Program provides loan guarantees to eligible projects that “avoid, reduce, or sequester air pollutants or anthropogenic emission of greenhouse gases” and “employ new or significantly improved technologies as compared to technologies in service in the United States at the same time the guarantee is issued.” The program seeks to promote the early commercial use of innovative technologies only, not energy research, development, and demonstration programs. The debt guaranteed by DOE under this program is limited to 80 percent of the project’s costs. The Program has struggled in part because it was designed to operate substantially without appropriations. Under the original structure of the program, borrowers were required to pay the credit subsidy cost that reflected the estimated risk value of the project, as well as administrative fees paid to consultants and attorneys. This structure, particularly when applied to projects embodying innovative technologies, led to very high fees and loan costs that were rarely affordable for the developers of the innovative projects it was designed to promote. Key changes to the program made by the American Energy Act of 2020 (part of the Consolidated Appropriations Act, 2021) include: 1. Congressional authorization of the use of appropriated funds to pay for the credit subsidy cost and administrative fees and allows payment of the fees at the point of loan closure. 2. The Secretary of the Treasury is required to analyze proposed loan guarantees and report back to DOE within 30 days. 3. The Act sets a target period for decision on loan guarantee applications of 180 days from the date of application, and the applicant is entitled to request a written explanation for any delays every 60 days thereafter. 4. The list of qualifying projects is expanded to include: i) new kinds of carbon capture; utilization and sequestration technologies; ii) nuclear component manufacturing facilities to support advanced nuclear reactors; iii) technologies to reduce carbon emissions from certain manufacturing processes; and iv) energy storage technologies.
Size of Program / Annual Appropriation	The DOE Loan Programs Office (LPO) has over $40 billion in available loans and loan guarantees (as of May, 2020). More recent data was not available on the amount of outstanding loan guarantees and the unallocated amount still available for funding.

Eligible Applicants and/or Recipients	Applicants must be able to demonstrate adequate capital to support their project. Eligible projects include technologies that are well on their way to being developed for commercial- and utility-scale adoption. Companies with technologies still in the research and development phase or in early- to mid-stage development are unlikely to be selected and are encouraged to postpone applying to the program.
Eligible Activities	The project can be a manufacturing or stand-alone project, must be located in the United States, and must employ a new or significantly improved technology that is not a commercial technology. Foreign ownership or sponsorship of the project is permissible so long as the project is located in one of the 50 states, the District of Columbia, or a U.S. territory. Eligible projects under the latest Solicitation are those that are ready for commercial deployment in the proximate future that: • avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases; • employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time a term sheet is issued in respect of such project; and • provide a reasonable prospect of repayment of the principal and interest of the guaranteed portion of the guaranteed obligation and other project debt, which, when combined with the amounts available to the borrower from other sources, will be sufficient to carry out the project.
Program Limits	A loan guaranty may be issued for up to 80% of the estimated cost of a project, not to exceed $50 million for any one project.
Application and Approval Process and Schedule	DOE releases a Solicitation for applications for 1703 loan guarantees periodically and interested applications should check the LPO website frequently. Applications are competitively reviewed.
Code / Regulation / Website /	Section 1703 of Title XVII of the Energy Policy Act of 2005 https://www.energy.gov/lpo/loan-programs-office

RURAL WATER AND WASTE DISPOSAL LOANS AND GRANTS

Administering Agency / Department	U.S. Department of Agriculture (USDA) – Rural Development (RD)
Program Description / Purpose	Rural Water and Waste Disposal Direct Loans and Grants are available to develop water and waste disposal systems in rural areas and towns with a population not in excess of 10,000. The funds are available to public bodies, non-profit corporations, and Indian tribes. The rates that are used to calculate these loans are subject to change quarterly. Loans are made based on the applicant's authority and the life expectancy of the system's project, which may be up to a maximum of 40 years. To support rural communities affected by COVID-19, USDA implemented the following provisions: • Borrowers may request the use of reserve account funds as a short-term solution to a one-time funds shortage. • Borrowers in good standing may request a short-term deferral of payments. • Technical assistance is available to assess needs, develop workout agreements, develop/update vulnerability assessments and emergency response plans, and deliver financial and utility management training. • Rural Development will consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency. Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences, and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.
Size of Program / Annual Appropriation	The FY2021 budget includes funding to support $1.3 billion in direct loans and $614 million in grants to improve and expand the water and waste disposal facilities in rural America. On April 22, 2021, USDA announced an additional investment of $374 million in Rural Water and Waste Disposal Direct Loans and Grants.
Eligible Applicants and/or Recipients	This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include most state and local governmental entities, private nonprofits, and federally-recognized tribes.

Eligible Activities	To qualify, applicants must be unable to obtain the financing from other sources at rates and terms they can afford and/or their own resources. Funds can be used for construction, land acquisition, legal fees, engineering fees, capitalized interest, equipment, initial operation and maintenance costs, project contingencies, and any other cost that is determined by Rural Development to be necessary for the completion of the project. Projects must be primarily for the benefit of rural users.
Application and Approval Process and Schedule	Applicants apply to Rural Development State Offices. Applications are accepted on an ongoing basis.
Code / Regulation / Website /	https://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program

RURAL ENERGY FOR AMERICA PROGRAM (REAP)

Administering Agency / Department	U.S. Department of Agriculture (USDA) – Rural Development (RD)
Program Description / Purpose	Promote energy efficiency and renewable energy for agricultural producers and rural small businesses through the use of grants and guaranteed loans for eligible projects, including wind, solar, biomass, and geothermal. The REAP Guaranteed Loan Program guarantees loans for the purchase and installation of a renewable energy system or energy efficiency improvement. Project developers work with local lenders, who in turn apply to USDA Rural Development for a loan guarantee up to 85% of the loan amount for projects of $600,000 or less, 80% of loans between $600,000 and $5 million, 70% for loans between $5 million and $10 million, and 60% for loans between $10 million and $25 million. Loans may not exceed 75% of total eligible project costs. Loan terms are 30 years for real estate, 20 years or the useful life for equipment, and 7 years for working capital. In addition to the lender's customary interest rate and fees, the program carries a one-time guarantee fee equal to 1% of the guaranteed amount and an annual renewal fee equal to 0.25% of the outstanding balance. Eligible lenders include Federal or State chartered banks, Farm Credit Banks, or other Farm Credit institutions with direct lending authority, Banks for Cooperatives, and Savings and Loan Associations. Beginning Oct. 1, 2020, this program will be streamlined under the OneRD Guarantee Loan Initiative. See www.rd.usda.gov/onerdguarantee.
Size of Program / Annual Appropriation	This program was scheduled for elimination in the FY2020 USDA Budget. However, on April 22, 2021, USDA announced an investment of $78 million in this program for FY2021.
Eligible Applicants and/or Recipients	Agricultural producers (including nurseries and dairies) and rural small businesses meeting SBA business size standards.
Eligible Activities	Purchase and installation of a renewable energy system or energy efficiency improvement. Eligible areas for REAP grants and guaranteed loans are any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such city or town based on the latest decennial U.S. census.

Program Limits	Grants for purchase and installation of a renewable energy system or energy efficiency improvement are limited to 25% of a proposed project's cost and a loan guarantee may not exceed $25 million. The combined amount of a grant and loan guarantee may not exceed 75% of the project's cost. The minimum grant for eligible systems is $5,000 and the maximum is $25 million.
Application and Approval Process and Schedule	Applicants apply to Rural Development State Offices. Applications are accepted on an ongoing basis.
Code / Regulation / Website /	https://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency

BUSINESS & INDUSTRY LOAN GUARANTEES

Administering Agency / Department	U.S. Department of Agriculture (USDA) – Rural Development (RD)
Program Description / Purpose	Business & Industry (B&I) Guaranteed Loans aim to improve, develop, or finance business, industry, and employment, and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans that will provide lasting community benefits. The maximum percentage of guarantee is 80 percent for loans of $5 million or less, 70 percent for loans between $5 and $10 million, and 60 percent for loans exceeding $10 million. The total amount of Agency loans to one borrower must not exceed $10 million. The Administrator may, at his/her discretion, grant an exception to the $10 million limit for loans of $25 million under certain circumstances. The Secretary may approve guaranteed loans in excess of $25 million (up to $40 million) for rural cooperative organizations that process value-added agricultural commodities. The maximum repayment for loans on real estate will not exceed 30 years; machinery and equipment repayment will not exceed the useful life of the machinery and equipment purchased with loan funds or 15 years, whichever is less; and working capital repayment will not exceed 7 years. Starting Oct. 1, 2020, this program was streamlined under the OneRD Guarantee Loan Initiative. See www.rd.usda.gov/onerdguarantee.
Size of Program / Annual Appropriation	USDA is making available up to $1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. See Business & Industry CARES Act Program.

Eligible Applicants and/or Recipients	A borrower may be a cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis; an Indian tribe on a Federal or State reservation or other Federally recognized tribal group; a public body; or an individual. A borrower must be engaged in or proposing to engage in a business that will: • provide employment; • improve the economic or environmental climate; • promote the conservation, development, and use of water for aquaculture; or, • reduce reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems. Individual borrowers must be citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence. Corporations or other nonpublic body organization-type borrowers must be at least 51 percent owned by persons who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence. B&I loans are normally available in rural areas, which include all areas other than cities or towns of more than 50,000 people and the contiguous and adjacent urbanized area of such cities or towns.
Eligible Activities	Eligible uses of loan funds include but are not limited to the following: • business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities; • business conversion, enlargement, repair, modernization, or development; • purchase and development of land, easements, rights-of-way, buildings, or facilities; and • purchase of equipment, leasehold improvements, machinery, supplies, or inventory. Under the CARES Act provisions, for the first time agricultural producers may access this program if they are ineligible for financing from USDA's Farm Service Agency.
Application and Approval Process and Schedule	Businesses apply through Federal or State chartered banks, credit unions, or savings and loans associations. Applications are processed by the appropriate USDA Rural Development State Office. The application deadline for the $1 billion available under the CARES Act is September 15, 2021, or until funds are expended.
Code / Regulation / Website /	https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees https://www.rd.usda.gov/programs-services/business-and-industry-cares-act-program

COMMUNITY FACILITIES DIRECT LOAN PROGRAM

Administering Agency / Department	U.S. Department of Agriculture (USDA) – Rural Development (RD)
Program Description / Purpose	The Community Facilities Direct Loan Program makes loans to develop essential community facilities in rural areas and towns of up to 20,000 in population. Loans are available to public entities such as municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments. Repayment of the loan must be based on tax assessments, revenues, fees, or other sources of money sufficient for operation and maintenance, reserves, and debt retirement. There are three levels of interest rates available (poverty, intermediate, and market), each on a fixed basis. The poverty rate is set at 4.5%. The market rate is indexed to the eleventh bond buyers rate as determined by the U. S. Treasury Department. The intermediate rate is set halfway between the market and the poverty rates. Eligibility for these different interest rates is determined by the median household income (MHI) of the area being served and the type of project. Loan repayment terms may not exceed the applicant authority (under State law or organizational structure), the useful life of the facility, or a maximum of 40 years.
Size of Program / Annual Appropriation	The FY2021 USDA budget includes $2.5 billion in Community Facilities direct loans and $500 million in Community Facilities guaranteed loans.
Eligible Applicants and/or Recipients	Agricultural producers (including nurseries and dairies), rural small businesses meeting SBA business size standards, public bodies, community-based nonprofit corporations, and federally recognized Tribes.
Eligible Activities	Loan funds may be used to construct, enlarge, or improve community facilities for health care, public safety, and public services. This can include costs to acquire land needed for a facility, pay necessary professional fees, and purchase equipment required for its operation. Refinancing existing debts may be considered an eligible direct loan purpose if the debt being refinanced is a secondary part of the loan, is associated with the project facility, and if the applicant creditors are unwilling to extend or modify terms in order for the new loan to be feasible. Applicants must have the legal authority to borrow and repay loans, to pledge security for loans, and to construct, operate, and maintain the facilities. They must also be financially sound and able to organize and manage the facility effectively.

Application and Approval Process and Schedule	Applications are handled by USDA Rural Development field offices. The application process is a two-stage procedure (preapplication and application). Approximately 45 days is required to determine applicant eligibility, project priority status, and funding availability. After an application is submitted, time to process the application depends upon the scope of the project, environmental review, and legal issues. Funding priorities are determined by a point system based on population and median household income, with priority given to small communities with a population of 5,500 or less and low income communities with a median household income below 80% of the state nonmetropolitan median household income.
Code / Regulation / Website /	7 CFR 3570 and RD Instruction 3570-B https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program

7(A) SMALL BUSINESS LOAN GUARANTEE PROGRAM

Administering Agency / Department	Small Business Administration (SBA)
Program Description / Purpose	The SBA 7(a) Small Business Loan Guarantee Program aims to help start-up and existing small businesses obtain financing when they might not be eligible for business loans through normal lending channels. • Participating lenders agree to structure loans according to SBA's requirements and apply and receive a guarantee from SBA on up to 85 percent of loans up to $150,000 and 75 percent of loans of more than $150,000. • The Consolidated Appropriations Act increased the program's loan guaranty rate to 90% for FY2021.
Size of Program / Annual Appropriation ($ billions)	The CARES Act provided $3.5 billion for continuing the 7(a) Debt Relief program.
Eligible Applicants and/or Recipients	Borrowers must be for-profit businesses that operate in the United States; meet SBA size standards and eligible business type criteria; use proceeds for an approved purpose; have reasonable owner equity to invest and not have funds available from other sources; be able to repay the loan; and, have good character, management expertise, and a feasible business plan.

Size of Program / Annual Appropriation ($ billions):

	2016	2017	2018	2019	2020[3]
Number of new loans approved[1]	57,993	57,160	55,474	47,724	42,302
Amount approved[1]	$21.78	23.28	$23.07	$21,27	$22.55
Outstanding Principal Balance[2]	$78.79	$86.l19	$92.42	$95.10	$95.64

[1] After cancellations and modifications.

[2] As of 3/31/2020. Defined as end-of-year outstanding principal balance of loans that have not yet been charged off. Includes guaranteed and non-guaranteed portion of the loans.

[3]Loan data for 2020 is before cancellations and modifications.

Eligible Activities	7(a) loan proceeds may be used to establish a new business or assist in the operation, acquisition, or expansion of an existing business. Eligible uses of proceeds include: • to purchase land or buildings; • to cover new construction or expansion or conversion of existing facilities; • to acquire equipment, machinery, furniture, fixtures, supplies or materials; • for long-term working capital; • to refinance existing business indebtedness that is not already structured with reasonable terms and conditions; • for short-term working capital needs; and • to purchase an existing business.
Program Limits	7(a) loans have a maximum loan amount of $2 million and SBA's maximum exposure is $1.5 million. The Consolidated Appropriations Act increased SBA's maximum guaranty to $3.75 million in FY2021.
Application and Approval Process and Schedule	Borrowers apply for loans from participating commercial lenders (see https://www.sba.gov/funding-programs/loans/lender-match). The lenders apply for a guarantee from SBA for a portion of the loan. The SBA can guarantee loans up to their annual loan guarantee authority.
Code / Regulation / Website /	Small Business Act, Section 7(a) http://www.sba.gov/financialassistance/borrowers/guaranteed/7alp/index.html

CDC / 504 FIXED ASSET FINANCING PROGRAM

Administering Agency / Department	Small Business Administration (SBA)
Program Description / Purpose	The SBA CDC / 504 Fixed Asset Financing program aims to promote economic development by providing a long-term fixed rate financing tool to small businesses for "bricks and mortar" assistance. Certified Development Companies (CDCs) work with the SBA and private sector lenders to provide the financing. Typically, a 504 project includes a loan secured from a private lender with a senior lien covering up to 50 percent of the project cost, a loan secured from a CDC backed by a 100 percent SBA-guaranteed debenture with a junior lien covering up to 40 percent of the project cost, and at least 10 percent equity contribution from the borrower. The maximum SBA debenture is $1.5 million when meeting the Program's job creation criteria (one job created for every $75,000 provided by the SBA except for small manufacturers) or a community development goal, $2.0 million when meeting a public policy goal and $4.0 million for small manufacturers. The Economic Aid Act of 2021 (Act) (part of the Consolidated Appropriations Act, 2021) provided more lenient eligibility guidelines and an improved cash-out option. Loans approved through Sept. 30, 2021 will also benefit from three months of loan forgiveness, capped at $9,000 per month, and sharply lower fees.
Size of Program / Annual Appropriation	The Act appropriates $3.5 billion for debt relief, expanding funding In FY2020, the SBA approved 7,119 CDC/504 loans totaling over $5.8 billion, with the participation of 212 CDCs.
Eligible Applicants and/or Recipients	Borrowers must be for-profit businesses that fall within the SBA size standards. Under the 504 Program, a business qualifies as small if it does not have a tangible net worth in excess of $15 million and does not have an average net income in excess of $5 million after taxes for the preceding two years. CDCs must intend to create or retain one job for every $75,000 of the debenture ($120,000 for small manufacturers) or meet an alternative job creation standard if they meet any one of 15 community or public policy goals. Other general eligibility standards include falling within SBA size guidelines; having qualified management expertise, a feasible business plan, and good character; and the ability to repay the loan. Loans cannot be made to businesses engaged in nonprofit, passive, or speculative activities.

Eligible Activities	Proceeds from 504 loans must be used for fixed asset projects, such as purchasing land and improvements; construction of new facilities or modernizing, renovating or converting existing facilities; or purchasing long-term machinery and equipment. Loan proceeds may also be used for the improvement or modernization of existing facilities land, streets, utilities, parking lots and landscaping.
Program Limits	CDC/504 loans have a maximum loan amount of $5 million ($5.5 million for manufacturers and specified energy-related projects); the minimum is $25,000. SBA's maximum exposure is $1.5 million. The Consolidated Appropriations Act increased SBA's maximum guaranty to $3.75 million in FY2021.
Application and Approval Process and Schedule	504 loans are available exclusively through Certified Development Companies (CDCs). This link may be used to find a CDC by geographic area. Borrowers apply for loans from participating commercial lenders. The lenders apply for a guarantee from SBA for a portion of the loan. The SBA can guarantee loans up to their annual loan guarantee authority.
Code / Regulation / Website /	https://www.sba.gov/funding-programs/loans/504-loans