USDA Rural Economic Development Loan Program (REDL)

$ PURPOSE: To promote the creation of jobs and rural economic development.

$ ELIGIBILITY: Per USDA requirements and cooperative board approval.

$ USE OF FUNDS:
  • Business financing (buildings, M&E, improvements)
  • Infrastructure (sewer, water, streets, rail)
  • Health care (hospitals, clinics, assisted living)
  • Educational facilities
  • Community facilities

$ TERMS:
  • Maximum $1,000,000 (pass-through loan) or as determined by the cooperative’s board of directors
  • Maximum loan amount shall not exceed 80% of the total project cost
  • 0% interest rate
  • 10 years maximum term
  • Security shall be an irrevocable letter of credit or as determined by the Cooperative’s board of directors

$ APPLICATION PROCESS:
  • Business plan w/ 3 years historical & pro forma financial statements
  • Environmental Review
  • Applications received monthly
  • Typically two to three months turn-around

$ SELECTION FACTORS:
  • Nature of project
  • Job creation
  • Ruralness and area demographic factors
  • Quality of business/project plan & financial statements
  • Ownership & management
  • Probability of success
  • Supplemental funds

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