



IOWA AREA DEVELOPMENT GROUP

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ECONOMIC DEVELOPMENT LOAN & GRANT PROGRAM

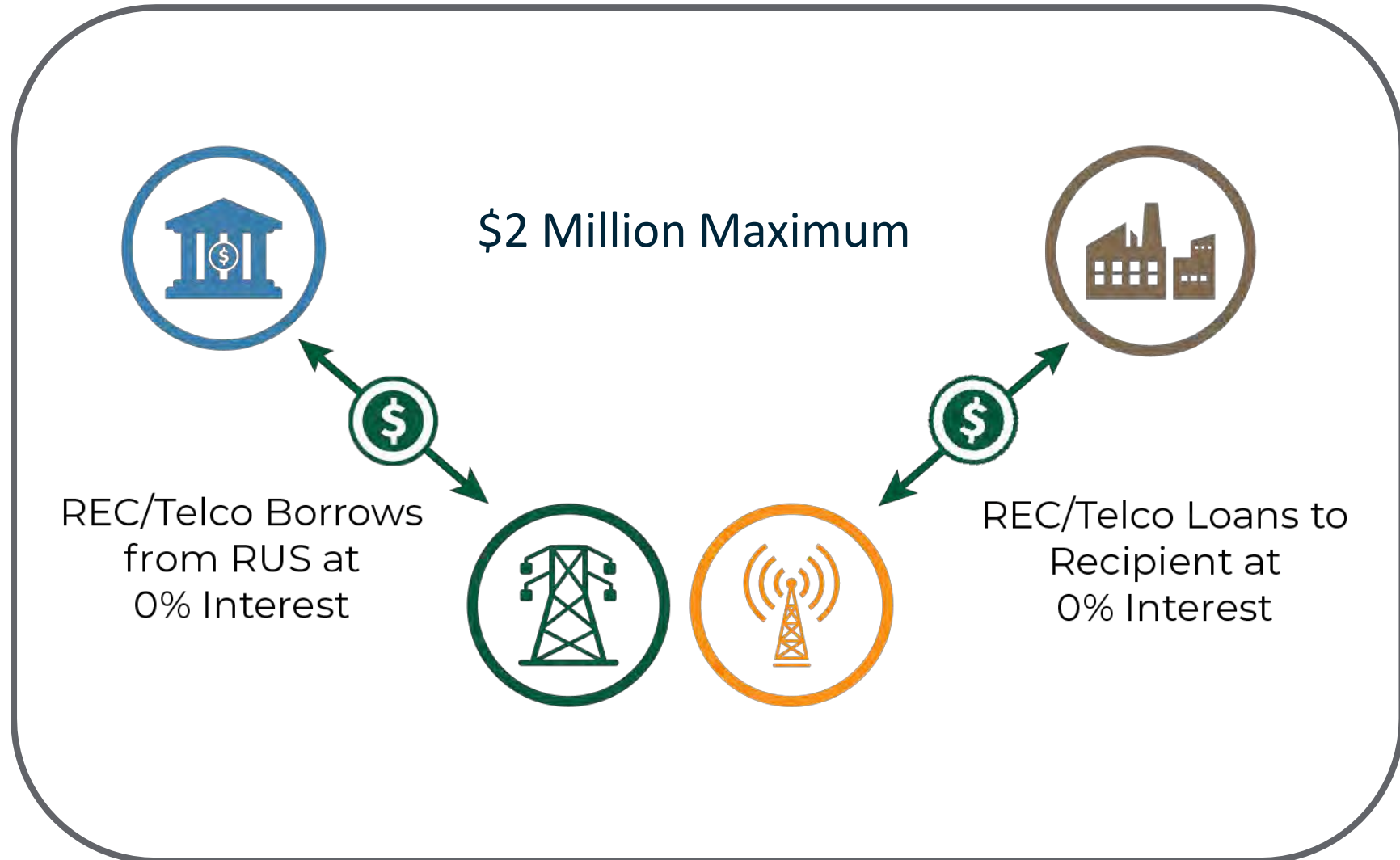
Program Purpose: To Promote Rural Economic Development and Job Creation Projects through



- 0% “Pass through” Loans (REDLs)
 - Coop Guarantees repayment
- Grants to establish a local Revolving Loan Fund (REDGs)
 - Requires Matching Funds
- Project always gets a 0% interest loan

Unique Feature: The REC is the applicant and sponsoring the application for the Ultimate Recipient

USDA LOAN OR “PASS THROUGH LOAN”



REDL LOAN TERMS

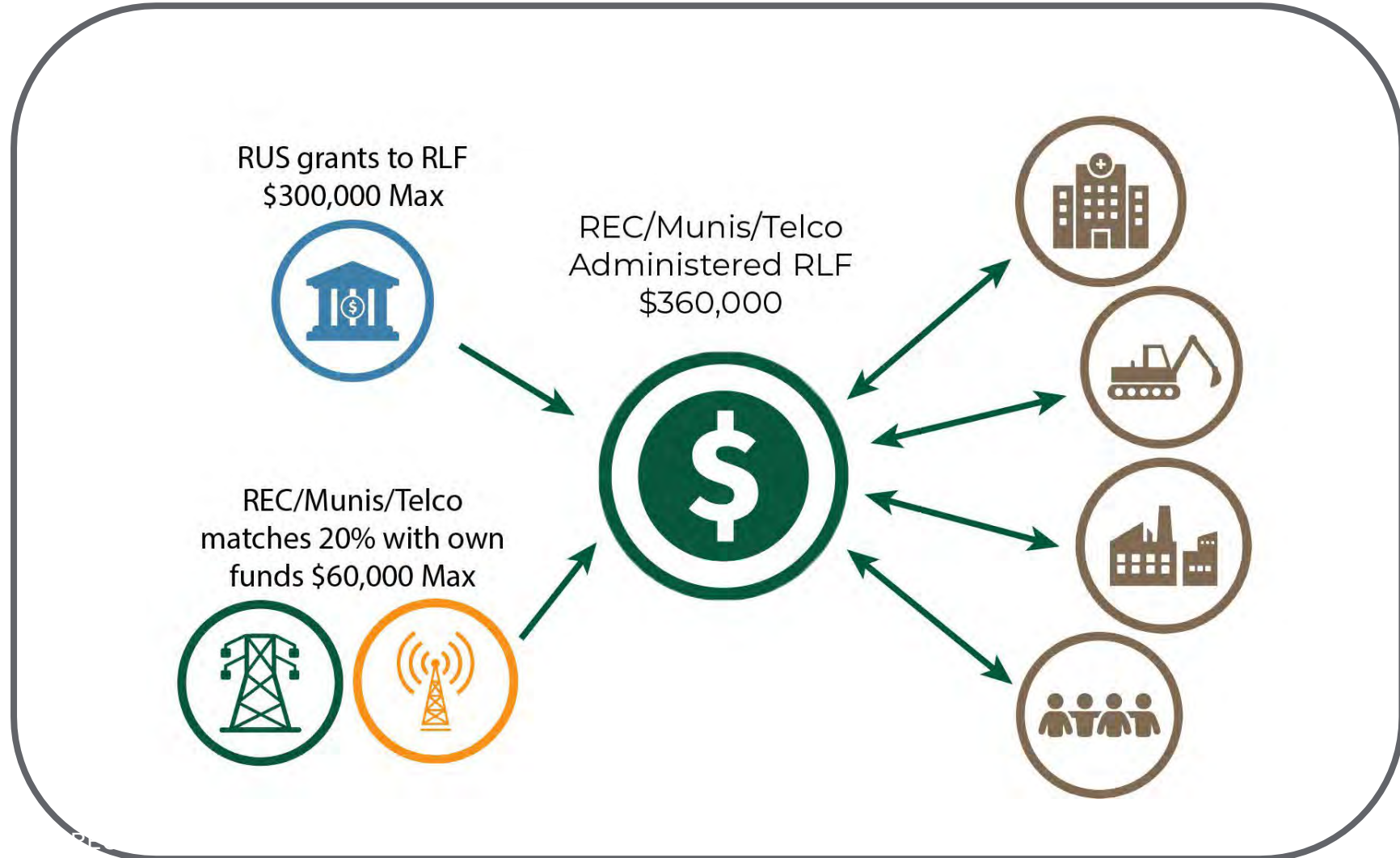


- Maximum \$2 million or up to 80% of the project, whichever is less (less than 80% is better)
- 0% Interest Loan
- Up to 10 Year Term
- Up to 2-year deferment until payments start
- Monthly payments match Co-op's repayment to USDA

**** Intermediary Guarantees Loan ****

**** Adequate Security a Must ****

USDA GRANT FOR REVOLVING LOAN FUND



USDA GRANT FOR RLF – LOAN TERMS



- First Loan to Non-Profit Entity (*)
 - Any non-profit, including City/County
- (*) unless medical or educational
- Loan Terms
 - 0% Interest Loan
 - Up to a 10 Year Term
 - Up to 2-year deferment until payment start
 - Payments can be more flexible (annual)
- Adequate Security—REC does not guarantee RLF

PROJECTS

ELIGIBLE

- Non-Profit Expansions and Start-ups
- Medical, Safety and Training Facilities
- Community Development Projects
- Business Incubator Projects

COMPETITIVE

- Business Expansions
- Medical Facilities
 - Hospital Renovation
 - New Medical Clinics
- Educational Facilities
 - Computer/Technology
- Key Component:
 - Direct Job Creation
 - “High Tech” training and/or equipment

2023 REDLG YEAR TO DATE

Loans (REDL)

- 23 REDLs Awarded
- \$37,545,500

Grants (REDG)

- 10 REDGs Awarded
- \$2,803,413

THE IMPACT



302

Jobs Created



435

Jobs Retained



\$108.8M

**Investment
In Iowa**

IADG REDLG SUCCESS

- **Loans (REDL)**
 - 193 Awards
 - \$173 million
- **Grants (REDG)**
 - 259 Awards
 - \$67.1 Million
 - 74 RLFs totaling \$78.5M
 - 1,130 subsequent loans made
 - 14,494 Jobs Created or Retained

THE IMPACT



22,438

Job Created or Retained



\$1.29B

Investment In Iowa

REVOLVING LOAN FUNDS

The rural utility-sponsored REDLG program grants create, then enhance locally controlled RLFs.

IADG members currently manage **74** RLFs

- Combined value is **\$79 million**

Loans are typically between **\$50,000 - \$250,000**

Loan repayments carry an interest rate less than, or equal to, prevailing prime rate

Intermediary determines repayment terms and security arrangements

Loans made from repayments of REDG loans must be for eligible Program purposes

The Intermediary is responsible for approval of Fund loans and all other Fund decisions

IADG ENERGY BANK

Low Interest Revolving Loan Fund

- Energy efficiency & renewable energy projects

Eligible Borrowers

- Businesses & industries with qualifying projects-Iowa
- Preference given to manufacturers

Program Details

- Rate: Currently 1% percent
- Loan Amount: Determined by project energy savings
 - Minimum \$50,000 – Maximum \$300,000
- Origination Fee: 1% of loan amount which can be financed
- Term: Up to 10 years
- Reporting Requirements: Federal and State regulatory compliance and reporting required.

QUESTIONS & DISCUSSION

