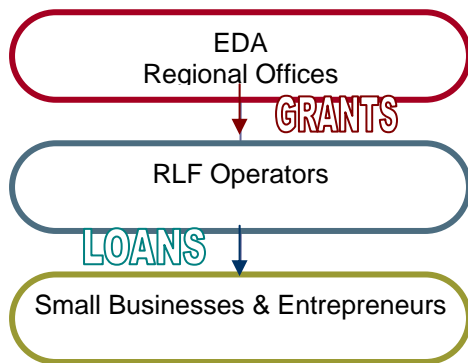


ABOUT THE RLF PROGRAM: HOW IT WORKS

As part of the EDA's Economic Adjustment Assistance Program, EDA's regional offices award competitive grants to units of local government, state governments, institutions of higher education, public or private non-profit organizations, EDA-approved economic development district organizations, and Indian Tribes to establish RLFs. EDA's RLF recipient, in turn, disburses money from the RLF to make loans at interest rates that are at or below market rate to small businesses or to businesses that cannot otherwise borrow capital (see graphic below). As the loans are repaid, the grantee uses a portion of interest earned to pay administrative expenses and adds remaining principal and interest repayments to the RLF's capital base to make new loans. A well-managed RLF award actively makes loans to eligible businesses and entities, continues to revolve funds, and does not have a termination date.



As of March 2009, the RLF program encompassed 578 revolving loan funds (administered by more than 450 recipient organizations), with a combined capital base of \$852 million. The majority of these RLFs reported concentrating on loans in the range of \$25,000 to \$175,000, although a number of funds were making much smaller (as little as \$1,000) or much larger (\$1 million+) loans.

If your organization is interested in applying for an EDA RLF grant, please review the [Economic Development Assistance Programs \(FFO\) announcement](#) on grants.gov. For more information on how to apply for Economic Development Assistance funds, please contact [EDA staff](#) in your regional office or view this [PowerPoint presentation](#), which gives an overview of the process.

For a complete listing of all RLF requirements, please refer to [EDA Regulations](#) (PDF) and EDA [RLF Standard Terms and Conditions](#) (PDF).