



**Rural Development**

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# News Release

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## **USDA Seeks Applications to Promote Job Creation and Boost the Rural Economy in the Western Pacific**

**HILO, HI**, April 24, 2013 – The United States Department of Agriculture (USDA) remains focused on carrying out its mission, despite a time of significant budget uncertainty. Today's announcement is one part of the Department's efforts to strengthen the rural economy.

USDA Rural Development State Director Chris J. Kanazawa announced today that applications are being accepted from qualified non-profit and public organizations (intermediaries) to provide loans to support rural businesses and community development groups. Funding, which is intended to spark business expansion and create jobs will be made available through USDA's Intermediary Relending Program (IRP).

"This program is a part of the Obama Administration's ongoing effort to bring increased economic opportunity to rural small businesses and communities in the Western Pacific by leveraging public funds to create jobs and expand economic opportunities for rural entrepreneurs," Kanazawa said.

The Intermediary Relending Program is USDA Rural Development's primary program for capitalizing revolving loan funds. USDA lends money to economic development intermediaries (nonprofits and public bodies) who in turn re-lend the funds as commercial loans to rural businesses (ultimate recipients) that might not otherwise be able to obtain such financing. The repayment of the ultimate recipients' loans allows the intermediary to continue to make more loans to new recipients, supporting sustainable economic development. Since President Obama took office, the program has created or saved an estimated 20,000 jobs.

For example, last year a \$400,000 IRP loan was awarded to the Pacific Island's Development Bank (PIDB) who in turn provided businesses with working capital, machinery and equipment, and real estate acquisition financing. "PIDB has had successful track record in providing assistance to rural small business in Guam, the CNMI, the Republic of Palau, Federal States of Micronesia (FSM), and the Republic of the Marshall Islands," stated Joseph Diego, Area Director for USDA Rural Development.

Funds are used to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities. Intermediaries are

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encouraged to work with state and regional representatives and in partnership with other public and private organizations that can provide complimentary resources.

For more information about the Intermediary Relending Program, and to learn about application deadlines, visit [http://www.rurdev.usda.gov/BCP\\_irp.html](http://www.rurdev.usda.gov/BCP_irp.html). For information on how to apply, see page 20883 of the April 8, 2013 Federal Register (<http://www.gpo.gov/fdsys/pkg/FR-2013-04-08/html/2013-08186.htm>). Applications and forms may be obtained from any Rural Development State Office.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investments in rural communities support the rural way of life that stands as the backbone of our American values. President Obama and Agriculture Secretary Tom Vilsack are committed to a smarter use of Federal resources to foster sustainable economic prosperity and ensure the government is a strong partner for businesses, entrepreneurs and working families in rural communities.

USDA, through its Rural Development mission area, has an active portfolio of more than \$172 billion in loans and loan guarantees. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.

USDA has made a concerted effort to deliver results for the American people, even as USDA implements sequestration – the across-the-board budget reductions mandated under terms of the Budget Control Act. USDA has already undertaken historic efforts since 2009 to save more than \$700 million in taxpayer funds through targeted, common-sense budget reductions. These reductions have put USDA in a better position to carry out its mission, while implementing sequester budget reductions in a fair manner that causes as little disruption as possible.