

January 2022



THE NATIONAL RURAL LENDERS' ROUNDTABLE NEWSLETTER



Admiral Tim Heely, Platform Aerospace; Patrick Vivot, Vivot Industries; Martin Hoffman, Milmar Food Group; and Mike Thomas, Founder of Thomas USAF Group, LLC at this year's Annual NRLR Conference during a Borrower's Panel

ANNUAL ROUNDTABLE CONFERENCE 2021

Each year, the National Rural Lenders' Roundtable hosts an annual conference with the purpose of increasing Rural America's access to capital.

In particular, discussions at these conferences center around USDA Rural Development loan programs, Capital Markets, CPACE, Rural Health Experts, and the Secondary Market. This year the Annual Roundtable was held on December 1st at the Phoenix Hotel in Washington, D.C.

Various private and public speakers presented at this year's conference, including government employees in the legislative and executive branches. These speakers came to share their insights on the future of Rural Development. Keynote speakers included Congressman Sanford Bishop, chairman of the House Agriculture Appropriations Subcommittee, and the USDA Rural Development's Under Secretary Xochitl Torres Small.



Justin Maxson, Deputy Under Secretary of USDA-RD; Will McIntee, Associate Director of Public Engagement at the White House; and Thomas Kimsey, CEO of Thomas USAF Group, LLC

USDA'S FOOD SUPPLY CHAIN GUARANTEE LOAN PROGRAM

On December 9th, the USDA posted a Notice of Funding Opportunity for Food Supply Chain Guarantee Loan Program.

<https://www.usda.gov/media/press-releases/2021/12/09/usda-launches-loan-guarantee-program-create-more-market>

This Notice creates **\$1.4 billion** in Loan Authority supported by **\$100 million** in Budget Authority. The Notice also sets aside **19 percent** of the funds for meat and poultry processing.

Anyone who processes any food product is eligible subject to underwriting for a **90 percent** guarantee as long as the fixed interest rates on the guaranteed portion of the loan does not exceed the current Wall Street Journal prime rate plus 200 basis point. All other loans shall be guaranteed at **80 percent** with Interest rates being either fixed or variable.

There is an elaborate point system that favors local owners in distressed areas in which similar businesses are currently not located. The point system will only use to prioritize filed projects if necessary.

RURAL DEVELOPMENT BUDGET UPDATE



FY22 BUSINESS AND INDUSTRY BUDGET

- ◆ Biden Administration request was *only* **\$1.5 billion** in Loan Authority
- ◆ House passed bill increases the loan Authority to **\$2 billion** thanks to the leadership of Chairman Sanford Bishop
- ◆ Senate Bill *only* contains **\$1.5 billion**
- ◆ Jointly both NRLR and NRLA are asking for **\$2 billion** in the Final Budget

BUILD BACK BETTER ACT

- ◆ **\$2,880,000,000** in Additional Funding for Electric Loans for Renewable Energy
- ◆ **\$200,000,000** for Rural Energy Savings Program (REAP)
- ◆ **\$820,250,000** for Rural Energy for America Program administered by the Rural Utilities Administration
- ◆ **\$960,000,000** for Biofuel Infrastructure and Agriculture Product Market Expansion
- ◆ **\$873,000,000** for Rural Partnership Program

Our focus today is on **\$2 billion in Business and Industry for FY22!**

MEET THE NEWLY APPOINTED USDA RURAL DEVELOPMENT TEAM



Xochitl Torres Small

Under Secretary for Rural Development

Under Secretary Torres Small previously served as a U.S. Congress Representative for the 2nd congressional district in New Mexico.

During the COVID-19 pandemic, Under Secretary Torres Small kept a rural hospital from closing its doors, improved constituent access to healthcare over the phone, and helped secure tens of millions of dollars for broadband in New Mexico through USDA's ReConnect Program.

Under Secretary Torres Small also raised the alarm on broadband disparities, serving on Majority Whip James Clyburn's Rural Broadband Taskforce and as an original cosponsor of the Accessible, Affordable Internet for All Act. As a member of the House Agriculture Committee, Under Secretary Torres Small helped champion the needs of dairy farmers and sponsored legislation to help local producers and rural communities invest in infrastructure to navigate new markets.



Dr. Karama Neal

Administrator of Rural Business-Cooperative Service

Administrator Dr. Neal previously served as president of Southern Bancorp Community Partners, a nonprofit community development loan fund and financial development organization, which promotes economic mobility in rural Arkansas and Mississippi.

Administrator Dr. Neal spent twelve years at Southern and led their small business, consumer and other development lending, consumer and savings focused public policy work, and a variety of financial development services to help low and moderate wealth families and communities build wealth.

In 2013, Administrator Dr. Neal started a statewide grassroots organization promoting passage of the Uniform Partition of Heirs Property Act in Arkansas which was passed in 2015.

Administrator Dr. Neal attended Swarthmore College and earned a doctorate in genetics from Emory University.



Joaquin Altoro

Administrator of Rural Housing Service

Administrator Altoro previously served as CEO and Executive Director for the Wisconsin Housing and Economic Development Authority (WHEDA).

As CEO, Administrator Altoro strategically positioned WHEDA to adopt a holistic approach to leverage affordable housing to grow economic prosperity for historically marginalized communities.

Under Administrator Altoro's guidance, WHEDA was able to enhance its 2021-2022 housing tax credit Qualified Action Plan, encouraging diversity among participating developers and providing greater consideration of the unique needs of rural communities.

Administrator Altoro previously also held the position of Town Bank's Vice President of Commercial Banking.

VOLUNTEERS WANTED: **FARM BILL ADVISORY COMMITTEE**

We are looking for **volunteers** to join NRLR's Farm Bill Advisory Committee. This committee will work together to advise Senate and House Agriculture Committees on Rural Development provisions that should be included in the next Farm Bill.

Thus far, the House Agriculture Committee Chair David Scott plans to hold Farm Bill hearings in early 2022.

Please contact Bill Broydrick at 202-679-1004 or billb@broydrick.com if you are interested in joining and sharing your inputs.

SAVE THE DATE! **JANUARY 19TH WEBINAR ON USDA'S FOOD SUPPLY CHAIN GUARANTEE LOAN PROGRAM**

Want to learn more about the USDA's newly announced Food Supply Chain Guarantee Loan Program?

Join us on January 19th, 2022, at 3PM (ET) / 12PM (PT) for an informational webinar that will outline eligibility for this program. We have also asked USDA officials to join us and answer questions from our audience.

Please check the NRLRT website's event page to register for this webinar:

<http://nrlrt.com/events/>