

We know right now the rural economy is suffering. Lenders are reluctant to continue with existing credits, much less extend new credits. Being from South Dakota, I've seen first-hand what it's like to have the large business or plant in your town shut its doors and friends and family out of work.

I'm Dallas Tonsager, Under Secretary for Rural Development at USDA - our mission is to increase economic opportunity and improve the quality of life for all rural Americans.

Manufacturing has been hit hard, but it doesn't mean it can't come back again. What we've learned is - we can't rely on just one industry or one pathway to energy. Manufacturing and a green economy can and should go hand in hand.

At USDA, we are keenly aware of today's business environment and how sensitive lenders are to risk mitigation. And we are dedicated to addressing these issues and to get capital flowing again. We've been meeting with lenders, establishing new relationships and building on old ones.

And one of the best ways to achieve these important goals is to expand the availability of capital to rural entrepreneurs and businesses. For example, under the President's American Recovery and Reinvestment Act, Rural Development retooled its Business and Industry (B&I) Loan Guarantee Program to infuse immediately \$1.7 billion into rural businesses to create and save jobs.

This loan program supports small and emerging private businesses. Private individuals, businesses, cooperative organizations, corporations, partnerships, nonprofit organizations, federally recognized Indian tribes, and public bodies may apply for funding.

Other Rural Development programs designed to create capital and expand economic activity are the Intermediary Relending Program (IRP) and the Rural Economic Development Loan Program. These programs support local micro lending through locally-run business revolving loan programs. Their purpose is to

alleviate poverty and increase economic activity and employment in rural communities.

USDA Rural Development is working to ensure that rural communities create wealth, thrive economically, and provide employment opportunities for residents.

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