The Rural Investment in America Act

The Rural Investment in America Act establishes a rural manufacturing forgivable loan program under the existing Small Business Administration’s successful 7(a) Program.

This bill amends the Small Business Administration’s 7(a) Program to give new authority to the SBA to provide forgivable loans to businesses who manufacture goods that are key to our critical infrastructure sectors in rural industrial parks in the United States.

The purpose is to use existing industrial parks in rural America to bring jobs and manufacturing back to the United States, creating good-paying jobs and easing supply-chain issues.

Loans would continue to be provided by 7(a) lenders (not the SBA directly), with the SBA providing a 100% guarantee for loans up to the limit of $3,750,000 along with up to $3,750,000 in forgiveness, equal to 50 percent of the total financing package specified by the applicant. For example, an applicant with a total financing package of $7M or more would be eligible for up to $3,750,000 in forgiveness.

Funding must be used to cover payroll, construction, permitting, and other capital costs associated with eligible site development, and any other costs deemed eligible by the SBA Administrator.

An applicant becomes eligible for loan forgiveness when they meet 75 percent or more of their job creation goals within their comprehensive business plan submitted to the SBA, not later than 5 years after loan origination. The SBA must also determine that funds were used for eligible costs pursuant to the program.

To qualify for the program, a business must either have a site located in rural area industrial park that manufactures critical infrastructure goods at that site or intend to expand their workforce at that site; or a business that is developing a site located in rural industrial park to manufacture goods that are essential to critical infrastructure sectors.

Critical Infrastructure sectors as defined in the bill include the following: Chemical Sector; Commercial Facilities Sector; Communications Sector; Critical Manufacturing Sector; Dams Sector; Defense Industrial Base Sector; Emergency Services Sector; Energy Sector; Financial Services Sector; Food and Agriculture Sector; Government Facilities Sector; Healthcare and Public Health Sector; Information Technology Sector; Nuclear Reactors, Materials, and Waste Sector; Transportation Systems Sector; Water and Wastewater Systems Sector. The bill also directs a study to be completed to determine any additional sectors which may be necessary to ‘critical infrastructure’ and gives the Administrator discretion to approve additional sectors.

This bill authorizes $2,000,000,000, to the SBA be available until expended for the purpose of funding the forgivable loans.