

Economic Adjustment Assistance Revolving Loan Fund (RLF) Program

What is a Revolving Loan Fund award?

EDA makes Economic Adjustment Assistance (EAA) grant awards to establish revolving loan funds (RLFs) that make loans to businesses that cannot otherwise obtain traditional bank financing. These loans provide access to capital as gap financing that enables small businesses to grow and lead to new employment opportunities with competitive wages and benefits. Each RLF Recipient must develop and maintain an RLF plan to demonstrate how the fund fits specific economic development goals and how it will adequately administer the RLF throughout its lifecycle.

The economic development priorities of each revolving loan fund (RLF) are defined in the RLF Plan that guides the lending strategy within its defined lending area. Most RLFs make general business loans focused on creating and retaining jobs while leveraging other sources of capital, while some RLFs focus lending on certain sectors or industries.

Who may apply for an EAA award to operate an RLF?

Entities eligible to apply for an EAA award to establish an RLF include a State, county, city, or other political subdivision of a State; Indian tribe; EDA-approved district organization; institution of higher education; and public or private non-profit organization. While individuals and for-profit entities are not eligible for an EAA award to establish an RLF, individuals and for-profit entities are eligible to apply for and receive loans from an RLF established by an eligible entity.

Who is eligible to receive an RLF loan?

Potential borrowers must demonstrate that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed. RLF loans most often focus on working capital loans for operating expenses but may also be used for fixed assets. EDA regulations for RLFs restrict uses of capital to loans for economic development purposes.

What are the award requirements for EDA-funded RLFs?

EDA's RLF Standard Terms and Conditions (STCs) govern each EDA RLF Award as part of the award conditions, along with a specialized set called the Specific (or Special) Award Conditions that are tailored for that particular grant. EDA's current RLF STCs are available at [RLF Standard Terms and Conditions](#). EDA regulations for RLF awards are codified at [13 CFR chapter III, part 307, subpart B](#). The RLF Recipient's obligation to manage the RLF continues in perpetuity or until the RLF recipient requests release, no earlier than 7 years following the date of final disbursement. ([RLF Act](#))

EDA's RLF regulations establish the Risk Analysis System, which is designed to provide more efficient oversight of the RLF Program. The Risk Analysis System was finalized and implemented in 2018 and was modified in 2024 to better serve the goals of the program. More information on the Risk Analysis System can be found on our [website](#).

What does the EDA RLF portfolio look like?

EDA RLF award amounts generally range from \$500,000 to \$2.0 million. The EDA RLF portfolio consists of about 500 active RLFs nationwide, with a combined EDA investment of more than \$1.3 billion. The RLF portfolio currently has a combined capital base of approximately \$850 million (includes EDA investment plus grantee matching funds plus capitalized income). RLFs have made over 45,000 loans and created or retained over 750,000 jobs over the lifetime of the program.

How do I get more information on how to apply?

Please see the [FY 2025 Public Works and Economic Adjustment Assistance Programs Notice of Funding Opportunity \(PWEAA NOFO\)](#). To discuss any project proposals in further detail, contact your EDA [Regional Office](#).

