

economic distress of a community through the creation or saving of jobs, or emergency situations. For grants of less than \$100,000—50 points; \$100,000 to \$200,000—30 points; more than \$200,000, but not more than \$500,000—20 points.

[50 FR 7296, Feb. 22, 1985, as amended at 53 FR 30247, Aug. 11, 1988; 55 FR 134, Jan. 3, 1990; 57 FR 33099, July 27, 1992; 57 FR 35627, Aug. 10, 1992; 67 FR 77908, Dec. 20, 2002]

§ 1942.306 Purposes of grants.

(a) Grant funds may be used to finance and/or develop small and emerging private business enterprises in rural areas including, but not limited to, the following:

(1) Acquisition and development of land, easements and rights-of-way.

(2) Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, and pollution control and abatement facilities.

(3) Loans for startup operating cost and working capital.

(4) Technical assistance for private business enterprises.

(5) Reasonable fees and charges for professional services necessary for the planning and development of the project including packaging. Services must be provided by individuals licensed in accordance with appropriate State accreditation associations.

(6) Refinancing of debts exclusive of interest incurred by or on behalf of an association before an application for a grant when all of the following exist:

(i) The debts were incurred for the facility or part thereof or service to be installed or improved with the grant, and

(ii) Arrangements cannot be made with the creditors to extend or modify the terms of the existing debt.

(7) Providing financial assistance to third parties through a loan.

(8) Training, when necessary, in connection with technical assistance.

(9) Production of television programs to provide information on issues of importance to farmers and rural residents.

(10) Create, expand, and operate rural distance learning networks or rural learning programs, that provide educational instruction or job training in-

struction related to potential employment or job advancement for adult students.

(b) Grants, except grants for television demonstration programs, may be made only when there is a reasonable prospect that they will result in development of small and emerging private business enterprises.

(c) FmHA or its successor agency under Public Law 103-354 grant funds may be used jointly with funds furnished by the grantee or from other sources including FmHA or its successor agency under Public Law 103-354 loan funds. Pursuant to Pub. L. 95-334, other departments, agencies, and executive establishments of the Federal Government may participate and provide financial and technical assistance jointly with FmHA or its successor agency under Public Law 103-354. The amount of participation by the other department, agency, or executive establishment shall only be limited by its authorities other than authorities which impose restrictions on joint financing.

[50 FR 7296, Feb. 22, 1985, as amended at 53 FR 30248, Aug. 11, 1988; 57 FR 33100, July 27, 1992; 59 FR 26587, May 23, 1994]

§ 1942.307 Limitations on use of grant funds.

(a) Funds will not be used:

(1) To produce agriculture products through growing, cultivation and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations or limited agricultural production related to technical assistance projects.

(2) To finance comprehensive areawide type planning. This does not preclude the use of grant funds for planning for a given project.

(3) For loans by grantees when the rates, terms and charges for those loans are not reasonable or would be for purposes not eligible under § 1942.306 of this subpart.

(4) For programs operated by cable television systems.

(5) To fund a part of a project which is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project.