



Business & Industry Loan Guarantee

bladc.org

ABOUT US | AREA ECONOMY | BUILDINGS/LAND | WORKFORCE | FINANCING | INFRASTRUCTURE | QUALITY OF LIFE

USDA Rural Development (www.ruraldev.usda.gov)

Loan Amount	\$25,000,000 maximum
Use of Funds	Working capital (term – no lines of credit) and/or fixed assets (land, building, equipment, and machinery)
Term of Loan	Negotiated; maximum for working capital is 7 years, for machinery and equipment 15 years, and for real estate 30 years. Balloons are not allowed.
Rate of Interest	Negotiated
% of Financing Available	Maximum 80% guarantee on loans up to \$5,000,000. 70% guarantee for loans between \$5,000,000 and \$10,000,000. 60% for loans above \$10,000,000
Down Payment (Equity)	Minimum of 20% tangible balance sheet equity on new businesses and 10% on existing businesses
Typical Structure	Variable
How Long Does it Take	60 days
Collateral	Yes, market value sufficient to cover the loan after lender discount
Personal Guarantees	Yes
Eligible Projects	Individual, cooperative, corporations, partnership, non-profit corporation, Indian tribes or public body. Most business purposes are eligible
Ineligible Projects	Golf courses
Job Creation Criteria	No specific requirement.
Incentives	Long term access to credit
Fees	A one-time, up-front fee of 2% of the guaranteed amount