



# USDA – Rural Development

Mission/ Goal – Provide Economic Development in Rural Areas

# Business & Industry Loan Guarantees

These programs offer loan guarantees to lenders for loans to rural businesses.

What do these Programs Do?

How can they help me?

How do these programs help the lender?

# What is Considered a Rural Area?

Any area that is not either within or contiguous to a town/city with population of less than 50,000.

Check our Website:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>



# Eligible Borrowers



- Any legal entity, including, corporations, partnerships.
- Individuals engaged in a business.
- Cooperative organizations.
- Can also assist Non-profit, tribes, public bodies & individuals.
- Projects must be located in eligible Rural Areas

# Eligible Loan Purposes

- Real estate purchase
- Business expansion & improvements
- Machinery and equipment
- Debt refinancing
- Business Expansion
- Business Acquisition



# How does the process work ? Can my bank use this program?



- Business applies to the bank, then the bank then applies to USDA. The bank becomes our applicant.
- All regulated banking entities are eligible.
  - Federal & State Chartered Banks
  - Savings & Loans
  - Credit Unions
  - Some non-regulated lending institutions may apply & become approved lender..

# USDA FEES & REQUIREMENTS

- USDA Guarantee Fee = 3%
- Annual Fee = .5%
- Lender loan fees are permitted
- Equity Requirements.
- Collateral Requirements.
- Max Loan limits = Up to 25MM
- Applications accepted all year round.

More specific questions???.

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General Questions?