To assist rural communities in creating prosperity so they are self-sustaining and economically thriving through investments that create ladders of opportunity, build regional resilience, and support the growth of emerging markets.
Business & Industry Loan Guarantees (B&I)
The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities (populations of 50K or less). This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans that will provide lasting community benefits.

Business & Industry CARES Act Loan Guarantees (B&I)
The purpose of the B&I Guaranteed Loan CARES Act Program is to provide loan guarantees to lenders for their loans to rural businesses (population of 50K or less) and agricultural producers to supplement their working capital to prevent, prepare for and respond to the economic impacts of the coronavirus.

Rural Energy for America Program (REAP)
(a) Grants or guaranteed loans, or a combination grant and guaranteed loan, for the purpose of purchasing and installing Renewable Energy Systems (RES) and Energy Efficiency Improvements (EEI), for Agricultural Producers (no pullulation limits) and Rural Small Businesses (population of 50K or less. Priority Application deadline for grants is Oct 30th, 2020 and March 30th 2021.
Rural Business Cooperative Service (RBCS) Program Funding Availability for FY 2020

<table>
<thead>
<tr>
<th></th>
<th>REAP</th>
<th>B&amp;I</th>
<th>B&amp;I CARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Loans</td>
<td>$500 Million</td>
<td>$1.2 Billion</td>
<td>$1 Billion</td>
</tr>
<tr>
<td>Grants</td>
<td>$40 Million</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
B&I Guaranteed Loan Program

Eligible Borrowers include:

• For-profit businesses.
• Nonprofits.
• Cooperatives.
• Federally-recognized Tribes.
• Public bodies.
B&I Guaranteed Loan Program: Eligible Lenders

Lenders need the legal authority, financial strength and sufficient experience to operate a successful lending program.

Pre-approved lenders include:

• Federal or state-chartered banks.

• Savings and loans.

• Farm credit banks.

• Credit unions.
B&I CARES Act Program: Different than the (Regular) B&I Program

Limited Loan Purposes: Working Capital Loans Only!
- Includes: Payroll Costs, Healthcare Benefits, Salaries, Principal and Interest Payments, Rent/Leases, Utilities, Inventory and Supplies

Loans have a 90% Guarantee, 2% Guarantee Fee

New Eligible Purposes: Expanded to Include Ag Production

Modified Terms: Repayment Up to 10 Years
- Deferrals – Principal up to 3 Years
- Interest up to 1 year

Capital & Equity Requirements

Collateral Discounting by the Lender is not Required

Maximum Loan Amount: $25 million
B&I CARES Act Program Implementation

- Appropriated $20.5M in program level; supporting up to $1B in lending authority
- Available until expended, not to exceed September 30, 2021
- Interim Final Rule published on May 22, 2020
- Notice of Funding Availability published on May 22, 2020
B&I CARES Act Program Provides:

• Increased maximum repayment term to 10 years.

• Loan principal payments may be deferred for up to 3 years from the loan closing. Interest payments may be deferred for up to one year from loan closing.

• Eligible loan purposes include payroll costs, healthcare benefits, salaries, principal and interest payments, rent/leases, utilities, inventory and supplies.
B&I CARES Act Program Application Requirements

• Loans for working capital are classified as categorical exclusions for purposes of the Agency’s environmental requirements

• A draft loan agreement is not required at the time of application

• A business plan or feasibility study is not required

• Lenders may substitute and rely on the borrower’s tax returns when financial statements prepared in accordance with GAAP are not available from the borrower

• Agricultural producers’ financial records must meet the industry’s standard accounting practices

• We encourage the use of § 4279.161(c), simplified applications, for loan applications of $600,000 and less.
B&I CARES Act Program Processes and Procedures

- Applications are received and processed in the RD State Office
- Funds will be maintained in a National Reserve account
- The Agency will consider applications in the order they are received
- Toward the end of the funding period the Agency will assign priority points for the limited remaining funds, and for this purpose the Agency will compare an application to other pending applications that are competing for funding in accordance with 7 CFR 4279.166.
B&I CARES Act Program: Combined Applications

A lender or borrower may combine applications for a B&I CARES Act Program loan for working capital with an application for the standard B&I Guaranteed Loan Program using appropriated fiscal year funds.

The provisions of the B&I CARES Act Loan Program section do not apply to applications for B&I appropriated fiscal year funds.
### Business & Industry Loan Guarantees

#### Eligible Borrowers
- Any legal entity, including nonprofit organizations, Federally recognized tribal groups, public bodies and individuals
- Individual borrowers must be US citizens or permanent residents. Corporations must be at least 51 percent owned by US citizens or permanent residents.
- Must be in an eligible rural area.

#### Typical Loan Purposes
- Real estate purchase and improvements
- Machinery and equipment purchase
- Working capital
- Integrated agriculture production/processing facilities -- agricultural-production portion of any loan will not exceed 50 percent of the total loan or $1 million, whichever is less
- Debt refinancing and business acquisitions - under certain conditions

#### Loan Structure
- Negotiated by the lender and borrower
- Rates can be Fixed/Variable/Combination, but cannot vary more often than quarterly
- Origination fees and prepayment penalties are permitted
- No balloon payments
## Rural Energy for America Program (REAP)

<table>
<thead>
<tr>
<th>Eligible Applicants</th>
<th>Rural Small Businesses</th>
<th>Agricultural Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible Projects</strong></td>
<td><strong>Renewable Energy Systems</strong></td>
<td><strong>Energy Efficiency Improvements</strong></td>
</tr>
<tr>
<td>Grants</td>
<td><em>Up to 25% of Total Eligible Project Costs</em></td>
<td></td>
</tr>
<tr>
<td>Guaranteed Loans</td>
<td><em>Up to 75% of Total Eligible Project Costs</em></td>
<td></td>
</tr>
</tbody>
</table>
| Details                   | • USDA guarantees a commercial loan; applicant must have a willing lender.  
                            • Terms are negotiated between the lender and borrower.  
                            • Fees, appraisals, equity & collateral requirements apply. |
For More Information and How to Apply

• Business & Industry CARES Act Loan Guarantees (B&I)
  • https://www.rd.usda.gov/programs-services/business-and-industry-cares-act-program

• Business & Industry Loan Guarantees (B&I)
  • https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees

• B&I Points of Contact:
  • Aaron Morris, Director, Program Processing Division Aaron.Morris@usda.gov
  • David Chestnut, Branch Chief, Program Management Division David.Chestnut@usda.gov

• Rural Energy for America Program (REAP)
  • www.rd.usda.gov/reap
Dr. Venus Welch-White
National Rural Energy Program Coordinator
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U.S. Department of Agriculture | Rural Development
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