



A Great Business Financing Loan Program: A Win-Win for Companies and Banks



All types of businesses can potentially qualify for the B&I Guaranteed Loan Program. It is imperative clients look at all available lenders and lending options.

– Douglass Dalton
Principal
McGuire Sponsel



There is an under-utilized financing program administered by The U.S. Department of Agriculture (USDA). The Business and Industry (B&I) Guaranteed Loan Program is often under-utilized because companies think they have to be an agricultural business to qualify. This is not the case. All types of businesses can qualify. The USDA B&I Guaranteed Loan Program has been around for many years and is well established. The main qualification for the program is that B&I loans are typically available for projects in rural areas, which include towns of less than 50,000 people.

The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment in rural communities, while also improving the economic and environmental climate. These lasting community benefits are achieved by bolstering the existing private credit structure through the guarantee of quality loans. This is very appealing for lenders since the USDA guarantees up to 80 percent of a loan made by a commercial lender. Borrowers also benefit from the guarantee by receiving better terms, structures and loans rates.

While the USDA B&I Guaranteed Loan Program is a great financing option, it is imperative that clients look at all available lenders and lending options in the marketplace. As with SBA loans, conventional financing, and bond financing, B&I loans have their rates, terms

and structure set by the lender and not the program. This leaves a lot of room for negotiations.

The B&I Loan Can Be Used For:

- Purchase of land, machinery, and equipment
- Construction, enlargement, or modernization
- Working capital
- Businesses and industrial acquisitions
- Refinancing certain types of debt

Loan Structures:

- Up to 30 years on land, buildings and permanent fixtures
- Up to 15 years on machinery and equipment
- Up to 7 years for working capital
- Fixed and variable rate options

Eligible borrowers include cooperative organizations, corporations, partnerships, or other profit and non-profit organizations. For more information about the USDA B&I Guaranteed Loan Program or any other financing, please contact McGuire Sponsel.