

Guaranteed Lending — News and Updates

Why Use Guaranteed Lending?

Below are some of the many benefits of Rural Development's Community Facilities guaranteed lending program.

- Reduce risk with up to a 90% guarantee.
- No maximum loan limit.
- Guarantee does not count against FDIC loan-to-value ratio
- Flexible security requirements.
- Lender-driven application process.
- Interest rates and terms determined by the lender and borrower.
- Guaranteed loan portion can be sold on the secondary market allowing the lender to offer long term fixed rates and increase the lender's return.
- No annual servicing fee.
- Lender driven construction bidding and management
- Most guarantee loans are Community Reinvestment Act eligible.
- Minimal reporting and agency oversight.
- 100% loan-to-value allowed.
- Appraisals optional.
- In some cases guarantees can be combined with Rural Development's direct loan and/or grant funds.
- Opportunity to establish new banking relationship.
- Opportunity to increase lender's profile in community.

Year-Round Funding Opportunities

Applications for guaranteed loans can be taken at any time throughout the year. Contact your Area Office for application information

What is an Essential Community Facility?

Rural Development's Community Facilities program provides assistance for the development of essential community facilities in rural towns with a population of 20,000 and less. Funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services.

During the past year, Rural Development assisted nearly 100 Iowa communities with guaranteed loans, loans and grants totaling \$143 million for projects that will improve community facilities and upgrade local infrastructure.

Spotlight Project: Thomas Rest Haven



Earlier this year USDA Rural Development presented a check to Thomas Rest Haven to help finance a new 12-unit assisted living facility in Coon Rapids.

Rural Development is providing a \$450,000 Community Facility guaranteed loan and a \$700,000 Community Facility direct loan to the facility. Also, a \$300,000 Rural Economic Development Grant was awarded to Coon Rapids Municipal Utilities for the project.

"Access to high quality health care is an issue of growing concern to many rural communities," said Mark Reisinger, USDA Rural Development State Director in Iowa "As the baby boom generation continues to age, it is important that rural communities across Iowa continue offering quality healthcare services."

More than 50 hospitals, rehabilitation centers, healthcare office buildings, clinics, mental health facilities, nursing homes and assisted living centers across Iowa have received assistance from Rural Development to improve, expand or build new facilities.

Did you know?

During the past year, Rural Development has worked with more than 180 rural lenders in Iowa to guarantee loans totaling \$100 million for business development projects, community facilities and housing opportunities.