

Guaranteed Lending Provides Advantages for All Involved

USDA Rural Development's guarantee loan program provides lenders a way to reduce risk portfolio while also improving return on equity; two very important strategies in today's tightening lending culture. Rural Development has worked with more than 180 rural lenders during the past year to guarantee loans for business development projects, community facilities, and housing opportunities.



USDA Rural Development recently approved loan guarantees of \$6 million and \$807,500 to Freedom Financial Bank for the expansion of a feed mill, owned by Lincoln Supply, L.C., in Ellsworth, Ia. "The USDA guarantee is a nice enhancement to this credit," says Mark Beatty, Vice President, Freedom Financial Bank. "Rural Development staff were expeditious in their decision, and made the process move along very smoothly. We look forward to working with them again."



USDA Rural Development provided \$4 million in guaranteed loan funds to Iowa State Bank and Trust Co. for the recently completed Jefferson County Civic Center in Fairfield, Ia. The 37,000 square-foot facility includes a 500-seat performing arts auditorium, meeting rooms and large exhibition space.

Business Programs

Eligible borrowers include:

- * Cooperative organization
- * Corporation
- * Partnership
- * Individuals
- * Other legal entity organized and operated on a profit or nonprofit basis
- * Federally recognized tribal group, or public body

The business financed must be located in a city or town under 50,000 population.

Rural Development uses the lender's credit package.

Eligible projects have included:

- * Assisted living service provider
- * Grain milling
- * Greenhouse
- * Movie theatre complex
- * Motel
- * Nursing home
- * Retail
- * Transportation
- * Value-added agriculture (multiple food ingredients, seed and sod)
- * Various manufacturing
- * Wholesale
- * Beef slaughter and further processing
- * Bio diesel manufacturing
- * Building supply
- * Carbon dioxide manufacturing
- * Cold storage
- * Food ingredient manufacturing
- * Cheese manufacturing
- * Distributor
- * Ethanol manufacturing
- * Poultry slaughter and further

Community Programs

Eligible borrowers include:

- * Public bodies (municipalities, counties or special purpose districts)
- * Nonprofits (must have significant ties to the local rural community)
- * An Indian tribe on a Federal or State reservation or other Federally recognized tribal group

The facility financed must be located in a city or town under 20,000 population.

For water and waste water systems, the population threshold is 10,000.

Rural Development uses the lender's credit package.

Eligible projects have included:

- * Hospitals
- * Assisted living facilities
- * Hospice facilities
- * Medial clinics
- * Medial records equipment
- * Vocational rehab centers
- * Nursing homes
- * Group homes
- * Senior centers
- * Community centers
- * Youth centers
- * Administrative office buildings
- * Wellness centers
- * Aquatic centers
- * Educational and training centers
- * Child care centers
- * Civic centers
- * Museums
- * Nature center/emergency shelter
- * Railroads
- * Industrial parks
- * Fairgrounds
- * Outdoor event facilities
- * Water systems
- * Waste water systems

Recently Funded Projects

Rural Development would like to recognize and thank the following lenders for their participation in the guaranteed loan programs:

Business Programs

Lender	Project	Loan Amount
American National Bank, Holstein	Grain marketing, farm supplier	\$5 million
Iowa State Savings Bank, Knoxville	Manufacturing	\$655,800
Farmers & Merchants Savings Bank, Waukon	Recreational vehicle dealer	\$910,000
Home Federal Savings Bank, Sartell, MN	Ethanol production (Iowa plant)	\$40 million
Freedom Financial Bank, West Des Moines	Feed mill expansion	\$807,500
Central Bank, Sioux City	Manufacturing	\$1.2 million
Peoples Bank, Lester	Restaurant	\$177,820
MB Financial Bank, Rosemount, IL	Pork processing (Iowa plant)	\$6.92 million
Excel National Bank, Beverly Hills, CA	Hotel (Iowa)	\$4.08 million
Greenbelt Bank & Trust, Iowa Falls	Manufacturer/service	\$550,000
Total		\$60.3 million

Community Programs

Lender	Project	Loan Amount
Community Bank of Boone	Wheelchair assessable walking trail, meditative garden and driveway for assisted living facility	\$30,000
Community Bank of Boone	Infrastructure for outdoor event center	\$5 million
Iowa State Bank & Trust Company, Fairfield	Kitchen facility for civic center	\$1.03 million
Peoples Trust & Savings Bank, Guthrie Center	Purchase building for child care center	\$98,000
Bank Plus, Estherville	Construct 16-unit assisted living facility	\$1.09 million
Iowa State Bank, Sheldon	Community wellness center	\$2.8 million
First State Bank, Stuart	Equipment and furnishings for community cultural center	\$85,000
The First National Bank in Creston	Purchase and renovate building for office space, adult day care and wellness facility	\$550,000
Central Bank, Storm Lake	Construct new medical clinic	\$401,000
United Bank of Iowa, Lake City	Hospital roof repair	\$57,615
Total		\$11.2 million

Helpful Links

[Iowa Rural Development Home Page](#)

[Map of Rural Development Offices and Staff Contact Information](#)

[Guaranteed Lending Program Fact Sheet](#)

[March 2008 Guaranteed Lending Newsletter](#)



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