

Proudly serving 26
Northern Illinois counties

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CONTACT US!

At Rural Development, we are committed to serving rural communities!

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Area Business Expands with USDA Guarantee

What does a business do when it's ready to take the next big step toward profitability? Eastland Motor Sports (EMS) was ripe for expanding its repair shop for motorcycles, ATVs and snowmobiles and adding sales of recreational vehicles to its services.



Pictured is owner Jeff Lessman, owner of Eastland Motor Sports in Lanark, IL. Thanks to the partnership between USDA Rural Development and Citizens State Bank in Stockton, Lessman was able to expand his business.

EMS started as a small repair shop for motorcycles and ATVs in 1988 in Freeport. Owner Jeff Lessman was good at what he did, so good that he repeatedly outgrew the space he rented to run his business. He had the same problem when he moved the business to

Lanark after purchasing a building and then constructing a warehouse across the street.

His new business plan included selling and servicing some top line vehicles including Artic Cat snowmobiles, Kymco scooters and motorcycles, and Aluma trailers. He would need a new facility with a showroom and areas for parts, service and storage that was in a location with high visibility. The time was right for the expansion. EMS had a very large customer base, a loyal following, and sales for scooters had shot up 24 percent nationwide.

Lessman worked with Citizens State Bank in Stockton and USDA Rural Development to finance the construction of the brand new 10,000 square foot facility on Highway 64. EMS has had impressive profits at its new location and employs six people with plans to add more staff in the next year.

(continued on page 2)

For more on Rural Development's programs, visit us on the web!
<http://www.rurdev.usda.gov/il>

Funds Available for Community Facility Projects

Community Programs can make and guarantee loans to develop essential community facilities in rural areas and towns of up to 20,000 in population. Loans and guarantees are available to public entities such as municipalities, counties, and special purpose districts, as well as to non-profit corporations.



Pictured is the Stark County Courthouse in Toulon, IL. Stark County received a \$160,000 direct loan and a \$50,000 grant to install an elevator to make the courtroom accessible.

Loan funds may be used to construct, enlarge, or improve community facilities for health care, public safety, and public services. This can include costs to

acquire land needed for a facility, pay necessary professional fees, and purchase equipment required for its operation. Examples of essential community facilities include: nursing homes, hospitals, libraries, fire trucks, community centers, day care centers, etc.

For the direct loan program, interest rates are fixed and determined by the median household income (MHI) of the area being served and the type of project.

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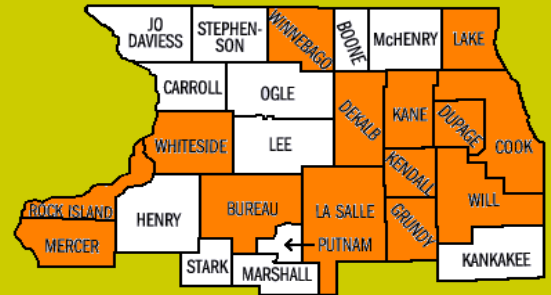


Herman Wisslead
Area I Director

Director's Corner

With many communities facing an onslaught of funding needs, we want you to know that Rural Development will have funds available to those that were federally declared disaster areas from last year's flooding. The Rural Business Enterprise Grant (RBEG) program can be utilized by municipalities and non-profit organizations to assist small businesses in communities 50,000 or less in population. To be eligible for this assistance, the project must be located in a disaster area declared by the President in calendar year 2008.

The RBEG disaster funding represents an opportunity to apply for RBEG funds in fiscal year 2009. The map to the right highlights in orange the counties that are eligible in Area I.



For any communities, lenders, economic developers or individuals looking for opportunities to learn more about what Rural Development has to offer, check out our Area I Highlights section for information on our monthly webinar series. ■

“By working together to help businesses, lenders and Rural Development can influence stability and growth in rural areas.”

*- Herman Wisslead,
Area I Director*

Eastland (continued from page 1)

“USDA Rural Development offers Business and Industry (B&I) Loan Guarantees to help local lenders provide credit needed for expansion and preservation of jobs in their rural communities,” said Herman Wisslead, Area Director headquartered in Ottawa. “By working together to help businesses, lenders and Rural Development can influence stability and growth in rural areas.”

Loan guarantees provide lenders with another tool to expand their loan portfolio, increase earnings through participation in the secondary market and allows them to make loans above their legal lending limits. The lenders can then, in turn, offer businesses higher loan amounts, lower interest rates and longer repayment terms. Businesses in areas with up to 50,000 people may be eligible for guarantees of up to 80 percent. Area businesses can



Eastland Motor Sports' new 10,000 square foot building in Lanark, IL.

utilize this program for acquisitions, construction, conversion, expansion, repair, modernization and for development costs. They can purchase equipment, machinery and supplies and use the funds for start-up costs, working capital and certain types of debt refinancing. ■

Funds Available (continued from page 1)

For the guaranteed loan program, the interest rate is the lender's customary interest rate for similar projects. It can be fixed or variable and is determined by the lender and applicant. Loan repayment terms may not exceed the applicant's authority, the useful life of the facility, or a maximum of 40 years.

For more information on this program, contact your area Illinois Rural Development office:
<http://www.rurdev.usda.gov/il/ao-list.htm> . ■



Pictured above is the Dana Fire Protection District (FPD) facility in La Salle County. Dana FPD received a \$105,000 loan and \$24,194 grant to expand and build an addition to their fire house.

Area I Recognizes Guaranteed Housing Lenders



Lenders in Area I's 26-county region were recognized with top honors by the US Department of Agriculture Rural Development as Million Dollar Lenders. The recognition is made

annually to lenders that excel in using the federal agency's guaranteed loan program to increase home ownership.

"The recognized lenders have demonstrated their commitment to helping borrowers afford their first home or upgrade to a better home," said Herman Wisslead, Area I Director headquartered in the agency's Ottawa office. "Their commitment helped nearly 900 borrowers get a loan they can afford for the house they really wanted in fiscal year 2008."

With the Rural Development guarantee, lenders can offer 100 percent loans with no required down payment, no private monthly mortgage insurance (PMI), no maximum purchase price, competitive fixed market rate interest and 30-year terms. The program includes flexible credit guidelines and generous income limits. ▪

Area I's Million Dollar Lenders

- | | |
|---|---|
| Amcore Bank N.A. | Grundy Bank |
| Apple River State Bank | Homestar Bank |
| Brimfield Bank | JP Morgan Chase Bank N.A. |
| Byron Bank | Mazon State Bank |
| Central Bank Illinois | Mortgage Services III, LLC |
| Centrue Bank | National City Mortgage |
| Cherry Creek Mortgage | Old Second Mortgage |
| Citizens First National Bank | Peru Federal Savings Bank |
| Community State Bank | Sauk Valley Bank & Trust Company |
| Countrywide Bank FSB | State Bank of Lincoln |
| Fifth Third Mortgage Company | Sterling Federal Bank FSB |
| First Federal Savings Bank—Ottawa | Stillman Bancorp NA |
| First National Bank & Trust—Rochelle | Taylor, Bean & Whitaker Mortgage Co. |
| First National Bank of Ottawa | Union Savings Bank |
| | US Bank |
| | Wells Fargo Bank N.A. |

"Their commitment has helped nearly 900 borrowers get a loan they can afford for the house they really wanted in fiscal year 2008."
- Herman Wisslead, Area I Director

Program Spotlight

Rural Energy for America

Purpose: The Rural Energy for America Program (REAP) will provide funds to agricultural producers and rural small businesses to purchase and install renewable energy systems and make energy efficiency improvements.

Applicant: Those eligible include agricultural producers, rural small businesses, and rural electric cooperatives.

Eligible Area: Under this program, all areas outside the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized areas. For eligible areas, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Financing Features:

Loan and grant funds may be used to purchase and install a renewable energy system or energy efficiency improvement which includes:

- Energy audits and assessments
- Permit and license fees
- Professional service fees
- Feasibility studies and business plans
- Retrofitting
- Construction of a new energy efficient facility only when the facility is used for the same purpose, is approximately the same size, and based on the energy audit will provide more energy savings than improving an existing facility



For more information, please visit the Rural Business website: <http://www.rurdev.usda.gov/rbs>. To apply for funding for the REAP loan and grant programs, contact Molly Hammond, Business & Cooperative Specialist in the Illinois USDA Rural Development State Office - (217) 403-6210. ▪



Multi-Family Housing Toolbox



QUICK REMINDERS

- Year-end reporting is due by 3/31/2009. The actual budget and balance sheet can be sent electronically; all other items must be mailed.
- Please be sure to respond to wage match discrepancies in a timely manner, usually within 30 days. Since rental assistance is such a precious commodity, we want to do everything we can to protect against fraud.
- When management is collecting unauthorized assistance from a tenant, please either send that money at least quarterly to CSC or make an adjustment to the monthly worksheet. We do monitor payments to ensure tenants are keeping to the agreements.



For those unable to participate in February's Guaranteed Rural Rental Housing webinar, you can request a copy of the presentation and notes by emailing: penny.hexdall@il.usda.gov or christine.pratt@il.usda.gov.

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MARK YOUR CALENDAR!

Farm Labor Housing Loan & Grant Webinar
 Thursday, July 23, 2009
 2:00 p.m. - 3:00 p.m.

Don't miss out on this great opportunity to learn more about what Rural Development can do for you and your community!

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Area 1 Highlights

Monthly Webinar Series



Join us for any or all of the webinar trainings to find out how to "retool" your business and community through Rural Development financing.

Learn how to

- * Respond to community needs with innovative lending products
- * Meet small business needs through grants and revolving loans

- April - Guaranteed Business & Industry Loans
- May - Guaranteed Community Facility Loans
- June - Guaranteed Water & Waste Water Loans
- July - Farm Labor Housing Loans & Grants
- August - Single Family Home Repair Loans & Grants

The cost is FREE to all participants. If you would like to be included on our mailing list to receive sign-up information, contact any Area I office! ■

Time in Service



Christine Pratt
Princeton Office



Jean Stowe
Princeton Office

~ Thanks to Christine and Jean for 25 years of service to our customers. ~

A special thanks to: Sarah Borchelt, Ron Firkins, Molly Hammond, Lorali Heintzelman, Penny Hexdall, Joan Messina, Chris Moore, Christine Pratt, Lindsey Rademacher, Duane Smith, Jean Stowe and Herman Wisslead for contributing to this quarter's newsletter.



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