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# Business and Industry (B&I) Guaranteed Loan Program

## DESCRIPTION:

The Business and Industry (B&I) program guarantees loans made by lenders up to a maximum of 80 percent of loss resulting from borrower default.

## ELIGIBLE LOAN PURPOSES:

Machinery and equipment, buildings and real estate, working capital and certain types of debt refinancing.

## ELIGIBLE BORROWER:

Any legal entity including a cooperative, corporation, or partnership organized and operated on a profit or non-profit basis, Indian Tribe, public body or individual.

## THE LENDER:

Any federal or state chartered bank, credit union, savings and loan association, or Farm Credit Bank.

## PERCENT OF GUARANTEE:

Up to 80 percent of the loan and can be issued on loans up to \$5 million; 70 percent for loans of up to \$10 million; and 60 percent for loans up to \$25 million. Loans up to \$7.5 million are approved in Bismarck.

## LOAN MATURITY:

Up to seven years for working capital, 15 years for machinery and equipment, and 30 years for real estate.

## ELIGIBLE AREAS:



All of North Dakota, with the exception of most of Fargo/West Fargo and most of Bismarck/Mandan. If you have a project in one of these cities, contact our office for a determination on potential assistance.

## OTHER CRITERIA:

Variable or fixed Interest rates are negotiated between borrower and lender. Collateral must be sufficient to protect the interests of the lender and the USDA. Loans may require personal and/or corporate guarantees. Minimum tangible equity requirements are 20 percent for start-ups and 10 percent for existing businesses. Costs for the guarantee are 2 percent of the guarantee portion of the loan. An annual servicing fee is charged, currently .25 percent of the guarantee portion of the loan.

## For More Information Contact:

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