



Rural Development – Oregon

Business & Cooperative Programs

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or

www.rurdev.usda.gov/or/biz.htm

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HOUSING-RELATED BUSINESSES

Business & Industry (B&I) Guaranteed Loan Program

The primary goal of the B&I program is to create and retain jobs in rural areas. This governs the B&I program's ability to assist housing-related projects & businesses.

Ineligible housing-related businesses

The B&I program's ability to guarantee loans for the development of owner-occupied and rental housing is expressly limited. B&I guarantees cannot be issued for:

- **Owner-occupied housing**
- **Apartment complexes and other types of rental housing projects eligible for assistance from USDA's Rural Rental Housing (RRH) and Rural Cooperative Housing (RCH) Program.** To determine whether a specific rental housing project is eligible for assistance under this program, contact USDA Rural Development's Multi-Family Housing Program Director at (503) 414-3353.
- **Real estate acquisition and debt refinancing on the *pro rata* value of owner-occupied residential improvements located on business property**

Eligible housing-related businesses

The housing sector of the rural economy can be an important source of permanent jobs.

Examples of eligible housing-related businesses which can be financed under normal B&I program guidelines include:

- **Building contractors**
- **Nursing and intermediate care facilities**
- **Assisted living facilities**
- **Residential care facilities for children, the elderly, & people with disabilities**

Other types of housing-related businesses can also be financed, but with restrictions:

- **Rental housing not eligible for RRH and RCH assistance.** Construction and operation of rental housing are eligible purposes. Debt refinancing and transfers of ownership are typically not eligible since they have no job impact.
- **Mobile home parks.** Construction, operation, & debt refinancing are authorized. Transfers of ownership are typically not eligible since they have no job impact.
- **Housing site development** -- which may include land acquisition, site work, and infrastructure costs -- but not housing construction. The B&I program can guarantee site development financing only if the community demonstrates a need for additional housing to prevent a loss of jobs in the area or to house families moving to the area as a result of new employment opportunities.
 - a. A B&I guarantee *cannot be for land purchase only*. If land acquisition is part of the loan proposal, the project must also include funds for its development.
 - b. Though B&I guarantees can be issued before all planned development is completed, the percent of guarantee will typically be reduced because of the risk associated with such projects. The B&I program would not typically be used to finance the development of more than one subdivision unit at a time.