
**UNITED STATES
DEPARTMENT OF AGRICULTURE**

**INSTRUCTIONS FOR APPLICATION FOR LOAN GUARANTEE
Section 9003 BioRefinery Assistance Loan Guarantees**

OVERVIEW

Title IX of The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) authorizes the Secretary of Agriculture (Secretary) to make loan guarantees for the “development, construction, and retrofitting of commercial-scale biorefineries using eligible technology.” Accordingly, the Agency has established an application process that will require Lenders to submit project information in sufficient detail as to allow the Agency to undertake a thorough analysis of the project’s ability to repay the guaranteed loan, meet policy goals established under section 9003 of the 2008 Farm Bill, the provisions found in the Notice of Funds Availability (NOFA) implementing the Program, and meet the Program’s loan underwriting criteria. The process of reviewing Applications, as found in the NOFA, will consist of the following steps:

1. **Application Window(s)**: The Agency intends to accept applications twice during Fiscal Year 2009 for consideration for funding under this Program. The first window for submitting applications begins on the publication date of the NOFA and closes December 31, 2008. Therefore, it is imperative that Lenders submit complete applications to the USDA Rural Development National Office by December 31, 2008, in order to be considered for funding in the first half of FY 2009. Applicants not selected in the first round may reapply during the second application window.

The second window for submitting applications under this Program begins on March 1, 2009. Complete applications must be submitted to the USDA Rural Development National Office between March 1, 2009, and April 30, 2009, to be considered for funding in the second half of FY 2009. Applications received after April 30, 2009, will not be considered for funding in FY 2009.

2. **Application**: Lenders must submit a complete application to be considered for a loan guarantee under this Program. Ineligible or incomplete applications will be returned to the Lender. A complete application must address each of the following areas:
 - Background information;
 - Feasibility study;
 - Technical assessment;
 - Economic analysis
 - Business plan;
 - Environmental information;
 - Lender’s analysis;
 - Financing information,
 - Loan Agreement;
 - Borrower information; and
 - Lender certifications.

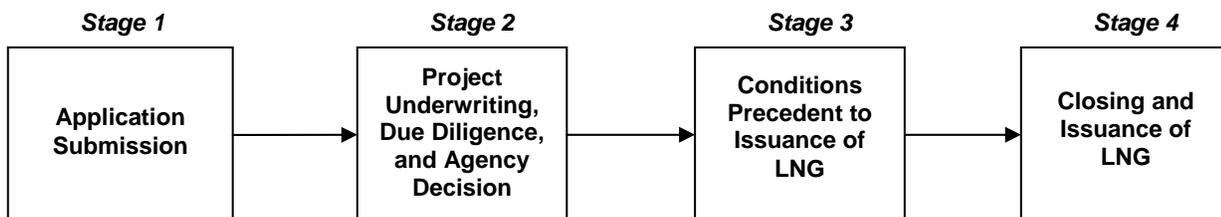
Application guidance is provided in Attachment A and the application form is found in

Attachment B.

3. **Project Evaluation:** During this period there may be extensive dialogue between the Agency and the Lender regarding all aspects of the project. Based on the information provided by the Lender, and the results of the Agency's due diligence, the Agency will prepare a project evaluation report and make a recommendation to the National Office Executive Loan (NOEL) committee as to whether issue a Conditional Commitment to the Lender.
4. **Conditional Commitment:** After consideration by the NOEL committee and a determination by the Agency Administrator, a Conditional Commitment is prepared outlining the terms and conditions. If, after further discussion with the Lender, certain conditions of the Conditional Commitment cannot be met, the Lender and Borrower may propose alternate conditions for consideration by the Agency. Within the requirements of the applicable regulations and instructions and prudent lending practices, the Agency may negotiate with the Lender and the Borrower regarding any proposed changes to the Conditional Commitment.
5. **Closing and Issuance of the Loan Note Guarantee:** The Lender or its designated representative is responsible for loan closings, with the Lender and Borrower setting the closing date. If necessary, the Agency will require a pre-closing meeting with the Lender to review and discuss the loan closing documents and the requirements provided for in the Conditional Commitment, prior to loan closing. After all of terms and conditions of the Conditional Commitment have been met by the Lender and the Borrower, the Agency will execute the Loan Guarantee Agreement. With the execution of the Loan Note Guarantee, the Lender must pay the Guarantee Fee. A schedule of Program fee rates is provided in Attachment C.

APPLICATION PROCESS

Applications for loan guarantees under section 9003 of the 2008 Farm Bill and the requirements prescribed in the NOFA to carry out the provisions of this section shall be prepared according to the guidelines provided by the Agency (Attachment A). If elements of the application, including attachments thereto, contain information the Lender or Borrower consider to be a trade secret, confidential, privileged or otherwise exempt from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C 552, the Lender and Borrower shall assert a claim of exemption at the time of application and clearly identify the text on the application that is subject to the claim of exemption. The same requirements shall apply to all submissions of project information. The following pages describe the process and requirements to apply for a biorefinery assistance loan guarantee under the NOFA. The process for submitting and reviewing applications involves three stages, which are shown and described below, concluding with a fourth stage (closing and issuance of the loan note guarantee):



Stage 1 - Application Submission

Stage 1 starts with the submission of a complete application. As per the Application Guidelines (Attachment A), the broad areas to be addressed are:

- Background information;
- Feasibility study;
- Technical assessment;
- Economic analysis;
- Environmental information;
- Business plan;
- Lender's analysis;
- Financing information,
- Loan Agreement; and
- Borrower information.

Based on the information provided in the applications, the Agency will identify those Borrowers seeking loan guarantees of less than \$125 million and those seeking loan guarantees of \$125 million or more. For those Borrowers seeking loan guarantees of \$125 million or more, the Agency will require an evaluation and credit rating of the total project's indebtedness, without consideration for a government guarantee, from a nationally-recognized rating agency.

Stage 2 - Project Underwriting, Due Diligence, and Agency Decision

This part of the application process will involve the Agency's detailed examination of the project, including reviews of the feasibility study, technical information, and proposed organizational structure and staffing. The Agency's due diligence will be conducted during this phase, based on the information provided in the application. As such, it is imperative that the Lender provide complete and detailed information in the application.

In reviewing each application, the Agency will utilize a panel of reviewers, including Rural Development field staff and U.S. Department of Energy staff. Each application will be evaluated to confirm that both the Borrower and project are eligible, the project has technical merit, there is reasonable assurance of repayment, there is sufficient collateral and equity, and the proposed project complies with all applicable statutes and regulations.

The Agency will undertake the following steps in the review process.

1. **Evaluate Feasibility Study:** This involves a thorough review of the information provided in the feasibility study, which addresses the economic, market, technical, financial, and management feasibility of the proposed project. Aspects of the review will involve:
 - Evaluate economic feasibility. The Agency will examine the economic feasibility by reviewing such factors as information related to the project site; the availability of trained or trainable labor; utilities; rail, air, and road service to the site; and the overall economic impact of the project.
 - Assess market feasibility. The Agency will assess marketing feasibility by reviewing such factors as information on the sales organization and management,

nature and extent of market and market area, marketing plans for sale of projected output, extent of competition, and commitments from customers or brokers.

- Determine technical feasibility. This evaluation will commence with a thorough review of the technical assessment. The Agency may utilize its internal technical resources as well as independent third-party advice in reviewing the project's technical feasibility. The Agency encourages each Borrower/Lender to be as comprehensive as possible in the procurement of independent engineering advice. Determination of the technical merit of the project will be influenced by the quality of the technical assessment, including the scope of the undertaking and strength of the opinions provided.
- Assess financial feasibility. Based on the Agency's credit evaluation of the financing plan submitted with the application, and projections for future financial performance, the Agency will assess the financial viability of the project with specific emphasis on the Borrower's expected ability to repay the loan. An important consideration in the financial viability assessment will be an evaluation of the assumptions underlying projected revenues and expenses and the likelihood that assumed technical performance will be achieved.
- Evaluate management feasibility. The Agency will evaluate the experience and expertise of the management team, particularly as it relates to operation of the proposed project.
- Assess qualification. The Agency will examine the qualifications of the entity that prepared the feasibility study.

2. **Assess Lender's Analysis:** The Agency will carefully review the Lender's analysis to assess the strengths and weaknesses of the proposed project. As part of this review, the Agency will identify, assess and estimate the impact of risks associated with the project. Based on the outcome of the technical, financial and legal reviews, the analysis will seek to determine the types and magnitude of the risks associated with the project, proper risk allocation among the parties, and the extent to which risks have been mitigated.

The Agency will also assess the strengths and weaknesses of the Borrower. The Agency will examine the Borrower's investment to date and capability to implement the project as proposed from both financial and managerial perspectives. Specific considerations include, but are not limited to:

- The Borrower's track record in project development and in the specific technology proposed in the application;
- The Borrower's financial strength and resources;
- The strategic value of the project to the Borrower; and
- The experience and expertise of the management team, particularly as it relates to operation of the proposed project.

In addition, the Agency will examine the value of the collateral in detail. This evaluation will be based on the nature of the collateral pledged, appraiser reports submitted by the Lender, and expected cash availability under a default scenario.

3. **Analyze Environmental Impact:** Each proposal will be evaluated to determine the proper level of National Environmental Policy Act (NEPA) review on a case-by-case basis by the Agency's environmental staff. The Lender's Borrower must cooperate with the Agency in

the preparation of the environmental review. Prospective Borrowers are advised to contact the Agency to determine environmental requirements as soon as practicable after they decide to pursue any form of financial assistance directly or indirectly available through the Agency. Note that a Borrower taking any actions or incurring any obligations prior to or during application review and processing that would either limit the range of alternatives to be considered or that would have an adverse effect on the environment, such as the initiation of construction, may result in project ineligibility.

4. **Evaluate Project Risks:** As part of its review, the Agency will identify, assess and estimate the impact of risks associated with the project. Based on the outcome of the review of the feasibility analysis, the risk analysis will seek to determine the types and magnitude of the risks associated with the project, proper risk allocation among the parties, and the extent to which risks have been mitigated.

5. **Agency Approval/Disapproval:** The final step of Stage 2 will be the Agency decision process. This will involve the Agency review team providing their analysis and recommendation on an application to the National Office Executive Loan (NOEL) committee. The NOEL committee will review the analysis and recommendation and then provide its recommendation to the Administrator. The Administrator will have final approval on each application.

Stage 3 –Conditions Precedent to Issuance of the Loan Note Guarantee (LNG)

This stage will involve the issuance of the Conditional Commitment through the determination that all conditions identified in the Conditional Commitment have been satisfied prior to the Agency issuing the loan note guarantee. In addition, for those projects requiring a credit rating from a nationally recognized credit rating agency, the Agency will consult with the Office of Management and Budget (OMB) during this phase. OMB may require additional information in making its subsidy determination. Specific steps in Stage 3 will include:

1. **Obtain Final Credit Rating:** For those loans of \$125 million or more, the Lender shall deliver to the Agency a final credit rating for the Borrower from a nationally recognized credit rating agency.

2. **Obtain Final Calculation of Credit Subsidy:** For those loans of \$125 million or more, upon delivery of the Borrower's credit rating, the Agency will consider this information in its final calculation of the credit subsidy amount, which will be confirmed by OMB.

3. **Prepare Signature Package for Administrator:** Once OMB has confirmed the credit subsidy amount, if applicable, the Agency will submit the transaction documents for the Administrator's signature.

4. **Conditional Commitment:** The Agency will issue the Lender a Conditional Commitment containing project specific conditions that must be met prior to the Agency's issuance of the LNG. The Conditional Commitment will cover such items as: loan purpose, percentage of guarantee, interest rates, collateral and appraisal requirements, insurance, loan agreement, environmental requirements, construction, and guarantee closing.

5. **Alternate Conditions:** If certain conditions of the Conditional Commitment cannot be met, the Lender and Borrower may propose alternate conditions. Within the requirements of the applicable regulations and instructions and prudent lending practices, the Agency may negotiate with the Lender and the Borrower regarding any proposed changes to the Conditional Commitment. .

6. **Develop Closing Checklist:** Based on the Conditional Commitment as established under steps 1 and 2 above, the Agency will develop a closing checklist, identifying each condition precedent and step required before issuance of the LNG can occur. This will involve actions required of the Lender/Borrower and steps that the Agency will need to take in coordinating its internal activities as well as activities of other agencies, such as Treasury and OMB. The following table summarizes the required conditions to which the Lender must certify:

<input type="checkbox"/> No Major Changes in Lender's Conditions
<input type="checkbox"/> Planned acquisitions and development have been or will be substantially completed
<input type="checkbox"/> Conformity with Federal, state, and local codes
<input type="checkbox"/> Required insurance in effect
<input type="checkbox"/> Truth in Lending
<input type="checkbox"/> Equal credit opportunity
<input type="checkbox"/> Loan properly closed
<input type="checkbox"/> Marketable title to all collateral
<input type="checkbox"/> When required, entire funds for working capital disbursed, unless otherwise approve by the Agency
<input type="checkbox"/> All requirements of Conditional Commitment are met
<input type="checkbox"/> Required Liens obtained
<input type="checkbox"/> Loan proceeds advanced for approved purposes
<input type="checkbox"/> No adverse change in Borrower
<input type="checkbox"/> No financial interest by Lender in the Borrower
<input type="checkbox"/> Loan Agreement addresses environmental impacts

Stage 4 – Loan closing and issuance of loan note guarantee.

This stage addresses the closing of the loan and the issuance of the Loan Note Guarantee by the Agency to the Lender.

1. **Closing:** The Lender or its designated representative is responsible for loan closings. When loan closing plans are established, the Lender must notify the Agency in writing. At the same time, or immediately after loan closing, the Lender must provide the following to the Agency: (i) Lender's certifications as required by Conditions Precedent to Issuance of Loan Note Guarantee in the NOFA; (ii) An executed Form RD 4279-4, "Lender's Agreement"; and (iii) An executed Form RD 1980-19, "Guaranteed Loan Closing Report," and (iv) appropriate guarantee fee.
2. **Issuance of the Loan Note Guarantee:** When the Agency is satisfied that all conditions for the guarantee have been met, the Agency will issue the Loan Note Guarantee; the Assignment Guarantee Agreement (if the Lender assigns the guaranteed portion of the loan to a holder); the Certificate of Incumbency; and copies of legal loan documents.

Attachment A

Application Guidance

**UNITED STATES
DEPARTMENT OF AGRICULTURE**

**APPLICATION GUIDANCE FOR FEDERAL ASSISTANCE
Section 9003 BioRefinery Loan Guarantees**

Background This guide reviews the information to be submitted under the NOFA implementing section 9003 of the 2008 Farm Bill for consideration of Agency financing under the Biorefinery Loan Guarantee Program (Program). Section 9003 authorizes for the U.S. Department of Agriculture to issue loan guarantees for the development, construction, and retrofitting of commercial-scale biorefineries using eligible technology. The Agency will use the information submitted by Lenders to evaluate and select recipients for assistance as authorized under section 9003 of the 2008 Farm Bill. Lenders and Borrowers may be asked to provide additional information during the review process. If there are changes to the project after the original application is submitted, the Lender will promptly provide the updated information to the Agency.

Format Lenders must provide all requested information following the standard format on page 2 of this guideline. Ineligible or incomplete applications will be returned to the Lender.

Submission The application must be submitted in hard copy form.

Selection Extension of a loan guarantee is subject to Agency credit review, due diligence, and negotiation of definitive financing, guarantee and project documents on terms and conditions satisfactory in all respects to the Agency.

Information Requests If Borrower or Lender desires that any information submitted in the application not be released by the Agency to the public, at the time the information is provided, the Lender or Borrower must: (i) state this request in writing; (ii) clearly identify the information considered sensitive; and (iii) give the reason(s) why it is considered confidential and the competitive harm which could result from the release of such information. The Agency will keep such information confidential to the extent permitted by law.

Warning It is a crime to knowingly make false statements to a Federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see 18 U.S.C. 1001. Misrepresentation of material facts may also be the basis for denial of financial assistance by the U.S. Department of Agriculture.

APPLICATION FORMAT

Section A: Background Information

- 1. Application Form
- 2. Project Title
- 3. DUNS Number
- 4. Project Eligibility
- 5. Project Participants
- 6. Contact Information

Section B: Feasibility Study

- 1. Executive Summary
- 2. Economic Feasibility
- 3. Market Feasibility
- 4. Technical Feasibility
- 5. Financial Feasibility
- 6. Management Feasibility
- 7. Qualifications

Section C: Technical Assessment

- 1. Qualifications of Project Team
- 2. Agreements and permits
- 3. Resource Assessment
- 4. Design and Engineering
- 5. Project Development Schedule
- 6. Equipment Procurement
- 7. Equipment Installation
- 8. Operations and Maintenance
- 9. Decommissioning

Section D: Economic Analysis

Section E: Business Plan

- 1. Ownership Structure and Management
- 2. Operation of Proposed Project
- 3. Financial Statements
- 4. Use of Funds
- 5. Progress Reports

Section F: Environmental Information

Section G: Lender's Analysis

- 1. Written credit analysis
- 2. Elements of credit quality
- 3. Financial Statements
- 4. Use of Funds
- 5. Progress Reports

Section H: Financing Information

- 1. Matching Funds
- 2. Collateral
- 6. Preliminary Credit Assessment

Section I: Loan Agreement

Section J: Borrower Information

- 1. Borrower Eligibility
- 2. Legal Authority
- 3. Bioenergy Experience
- 4. Financial Information
- 5. Credit Reports
- 6. Judgments, Delinquencies, Debarment, and Suspension

Section K: Lender Certifications

SECTION A: Background Information

1. **Application Form** Attach a current application form.
2. **Project Title** Provide a descriptive title of the project.
3. **DUNS Number** Provide the Dunn and Bradstreet Number for the project.
4. **Project Eligibility** Describe how the project meets the eligibility criteria identified in Section II.H of this NOFA. These criteria are:
 - (a) The project must be located in a rural area.
 - (b) The project must be for either the development and construction of commercial-scale biorefineries using eligible technology or the retrofitting of existing facilities, including, but not limited to, wood products facilities and sugar mills, with eligible technology.
 - (c) The project must meet the financial metric criteria specified below. These criteria must be calculated from the realistic information in the pro forma statements or Borrower financial statements of a typical operating year after the project is completed and stabilized.
 - A debt coverage ratio of 1.0 or higher;
 - A debt-to-tangible net worth ratio of 4:1 or lower for start-up businesses and of 9:1 or lower for existing businesses.
 - A loan-to-value ratio of no more than 1.0.

This description is to provide the reader with a frame of reference for reviewing the rest of the application. Clearly state whether the application is for the construction and development of a biorefinery or for the retrofitting of an existing facility and provide a brief description of the project. Provide results from demonstration or pilot facilities that prove the technology proposed to be used meets the definition of eligible technology. Additional project description information will be needed later in the application.

5. **Project Participants** List the parties involved with the project, their function, and contact information.
6. **Contact Information** Provide the mailing address of the Lender and Borrower and phone, fax and e-mail address of the project point of contact for the Agency.

SECTION B: FEASIBILITY STUDY

Submit a feasibility study on the proposed project. Elements in an acceptable feasibility study include, but are not limited to, the elements outlined in this section. In addition, as part of the feasibility study, both a technical assessment and economic analysis of the project are required. These two assessments are discussed in detail in Sections D and E.

1. **Executive Summary** Provide an introduction and overview of the project. In the overview, describe the nature and scope of the proposed project, including purpose, project location,

design features, capacity, and estimated total capital cost. Include a summary of each of the elements of the feasibility study, including:

- Economic feasibility determinations
- Technical feasibility determinations
- Market feasibility determinations
- Financial feasibility determinations
- Management feasibility determinations

In addition, include a section on recommendations for implementation of the proposed project.

2. **Economic Feasibility** Provide information regarding project site; the availability of trained or trainable labor; and the availability of infrastructure, including utilities, and rail, air and road service to the site. Discuss feedstock source management, including feedstock collection, pre-treatment, transportation, and storage, and provide estimates of feedstock volumes and costs. Discuss the proposed project's potential impacts on existing manufacturing plants or other facilities that use similar feedstock if the proposed biofuel production technology is adopted. Provide projected impacts of the proposed project on resource conservation, public health, and the environment. Provide an overall economic impact of the project including any additional markets created for agricultural and forestry products and agricultural waste material and potential for rural economic development. Provide feasibility/plans of project to work with producer associations or cooperatives including estimated amount of annual feedstock and biofuel and byproduct dollars from producer associations and cooperatives
3. **Market Feasibility** Provide information on the sales organization and management. Discuss the nature and extent of market and market area and provide marketing plans for sale of projected output, including both the principle products and the by-products. Discuss the extent of competition including other similar facilities in the market area. Identify commitments from customers or brokers for both the principle products and the by-products. Discuss all risks related to the advanced biofuel industry, including industry status
4. **Technical Feasibility** The technical feasibility report shall be based upon verifiable data and contain sufficient information and analysis so that a determination may be made on the technical feasibility of achieving the levels of income or production that are projected in the financial statements. The Project engineer or architect is considered an independent party provided neither the principals of the firm nor any individual of the firm who participates in the technical feasibility report has a financial interest in the project if no other individual or firm with the expertise necessary to make such a determination is reasonably available to perform the function, an individual or firm that is not independent may be used.

Describe the scale of development for which the process technology has been proven, i.e. lab (or bench), pilot, or demonstration scale; and the specific volume of the process (expressed either as volume of feedstock processed – tons per unit of time, or as product – gallons per unit of time). Discuss the suitability of the selected site for the intended use, including the information documents Form RD 1940-20 and required narrative in the 1940-G Exhibit H format.

Identify any constraints or limitations in the financial projections and any other facility or design-related factors that might affect the success of the enterprise. Identify and estimate project operation and development costs and specify the level of accuracy of these estimates and the assumptions on which these estimates have been based. Discuss the ability of the proposed system to be Commercially Replicated. Provide documentation that supports the Renewable Fuel Standard established in the Energy Independence and Security Act of 2007

Discuss all risks related to construction of the advanced biofuel plant; advanced biofuel production; and regulation and governmental action as they affect the technical feasibility of the project.

5. **Financial Feasibility** Discuss the reliability of the financial projections and assumptions on which the financial statements are based including all sources of project capital both private or public, such as Federal funds. Provide three years (minimum) projected Balance Sheets and Income Statements and cash flow projections for the life of the project. Discuss the ability of the business to achieve the projected income and cash flow. Provide an assessment of the cost accounting system. Discuss the availability of short-term credit or other means to meet reasonable business costs and the adequacy of raw materials and supplies. Provide a sensitivity Analysis, including feedstock and energy costs, product/co-product prices. Discuss all risks related to the project, Borrower financing plan, the operational units, and tax issues.
6. **Management Feasibility** Discuss the continuity and adequacy of management. Provide projected total supply from members and non-members; projected competitive demand for raw materials; procurement plan and projected procurement costs; the form of commitment of raw materials (marketing agreements, etc.). Identify Borrower and/or management's previous experience concerning the receipt of federal financial assistance, including amount of funding, date received, purpose, and outcome. Discuss all risks related to the Borrower as a Company (i.e. Development-Stage) and conflicts of interest, including appearances of conflicts of interest.
7. **Qualifications** Provide a resume or statement of qualifications of the author of the feasibility study, including prior experience.

SECTION C: Technical Assessment

As part of the feasibility study, a detailed technical assessment is required for each project. The technical assessment must demonstrate that the project design, procurement, installation, startup, operation and maintenance of the project will operate or perform as specified over its useful life in a reliable and a cost effective manner, and must identify what the useful life of the project is. The technical assessment must also identify all necessary project agreements, demonstrate that those agreements will be in place on or before the time of loan closing, and demonstrate that necessary project equipment and services will be available over the useful life. All technical information provided must follow the format specified in this section. Supporting information may be submitted in other formats. Design drawings and process flow charts are encouraged as exhibits. A discussion of each topic identified in this section is not necessary if the topic is not applicable to the specific project. Questions identified in the Agency's technical review of the project must be answered to the Agency's satisfaction before the application will be approved. All projects require the services of a professional engineer (PE).

1. **Qualifications of project team** The project team will vary according to the complexity and scale of the project. The project team must have demonstrated expertise in similar advanced biofuel technology development, engineering, installation, and maintenance. Authoritative evidence that project team service providers have the necessary professional credentials or relevant experience to perform the required services for the development, construction, and retrofitting, as applicable, of technology for producing advanced biofuels must be provided. In addition, authoritative evidence that vendors of proprietary components can provide necessary equipment and spare parts for the biorefinery to operate over its useful life must be provided. The application must:

- Discuss the proposed project delivery method. Such methods include a design, bid, build where a separate engineering firm may design the project and prepare a request for bids and the successful bidder constructs the project at the Borrower's risk, and a design build method, often referred to as turnkey, where the Borrower establishes the specifications for the project and secures the services of a developer who will design and build the project at the developer's risk;
 - Discuss the advanced biofuels technology equipment manufacturers of major components being considered in terms of the length of time in business and the number of units installed at the capacity and scale being considered;
 - Discuss the project team members' qualifications for engineering, designing, and installing advanced biofuels refineries including any relevant certifications by recognized organizations or bodies. Provide a list of the same or similar projects designed, installed, or supplied and currently operating and with references if available; and
 - Describe the advanced biofuels refinery operator's qualifications and experience for servicing, operating, and maintaining such equipment or projects. Provide a list of the same or similar projects designed, installed, or supplied and currently operating and with references if available.
2. **Agreements and permits** All necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits, including the items specified below, must be identified in the application.
- Advanced biofuels refineries must be installed in accordance with applicable local, State, and national codes and regulations. Identify zoning and code issues, and required permits and the schedule for meeting those requirements and securing those permits.
 - Identify licenses where required and the schedule for obtaining those licenses.
 - Identify land use agreements required for the project and the schedule for securing the agreements and the term of those agreements.
 - Identify any permits or agreements required for solid, liquid, and gaseous emissions or effluents and the schedule for securing those permits and agreements.
 - Identify available component warranties for the specific project location and size.
 - Identify all environmental issues, including environmental compliance issues, associated with the project.
3. **Resource assessment** Adequate and appropriate evidence of the availability of the feedstocks required for the advanced biofuels refinery to operate as designed must be provided in the application. Indicate the type and quantity of the feedstock including storage, where applicable. Indicate shipping or receiving method and required infrastructure for shipping, and other appropriate transportation mechanisms. For proposed projects with an established resource, provide a summary of the resource.
4. **Design and engineering** Authoritative evidence that the advanced biofuels refinery will be designed and engineered so as to meet its intended purposes, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards must be provided in the application. Projects shall be engineered by a qualified entity. Biorefineries must be engineered as a complete, integrated facility. The engineering must be comprehensive including site selection, systems and component selection, and systems

monitoring equipment. Biorefineries must be constructed by a qualified entity.

- The application must include a concise but complete description of the project including location of the project; resource characteristics, including the kind and amount of feedstocks; biorefinery specifications; kind, amount, and quality of the output; and monitoring equipment. Address performance on a monthly and annual basis. Describe the uses of or the market for the advanced biofuels produced by the biorefinery. Discuss the impact of reduced or interrupted feedstock availability on the biorefinery's operations.
 - The application must include a description of the project site and address issues such as site access, foundations, backup equipment when applicable, and the environmental information documents Form RD 1940-20 and required narrative in the 7 CFR part 1940, subpart G, Exhibit H format. Identify any unique construction and installation issues.
 - Sites must be controlled by the eligible Borrower for at least the proposed project life or for the financing term of any associated federal loans or loan guarantees.
5. **Project development schedule** Each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through startup and shakedown must be provided in the application. Provide a detailed description of the project timeline including resource assessment, project and site design, permits and agreements, equipment procurement, and project construction from excavation through startup and shakedown.
6. **Equipment procurement** A demonstration that equipment required by the biorefinery is available and can be procured and delivered within the proposed project development schedule must be provided in the application. Biorefineries may be constructed of components manufactured in more than one location. Provide a description of any unique equipment procurement issues such as scheduling and timing of component manufacture and delivery, ordering, warranties, shipping, receiving, and on-site storage or inventory.
7. **Equipment installation** A full description of the management of and plan for site development and systems installation, details regarding the scheduling of major installation equipment needed for project construction, and a description of the startup and shakedown specification and process and the conditions required for startup and shakedown for each equipment item individually and for the biorefinery as a whole must be provided in the application.
8. **Operations and maintenance** The operations and maintenance requirements of the biorefinery necessary for the biorefinery to operate as designed over the useful life must be provided in the application. The application must also include:
- Information regarding available biorefinery and component warranties and availability of spare parts;
 - A description of the routine operations and maintenance requirements of the proposed biorefinery, including maintenance schedule for the mechanical, piping, and electrical systems and system monitoring and control requirements, as well as provision of information that supports expected useful life of the biorefinery and timing of major component replacement or rebuilds;
 - A discussion of the costs and labor associated with operations and maintenance of the biorefinery and plans for in-sourcing or outsourcing. A description of the opportunities for technology transfer for long term project operations and maintenance by a local entity or owner/operator; and

- Provision and discussion of the risk management plan for handling large, unanticipated failures of major components.
9. **Decommissioning** When uninstalling or removing the project, a description of the decommissioning process. A description of any issues, requirements, and costs for removal and disposal of the biorefinery.

SECTION D: Economic Analysis

As part of the feasibility study, an economic analysis is required for each project. The economic analysis must describe the costs and revenues of the proposed project to demonstrate the financial performance of the project by:

- providing a detailed analysis and description of project costs including project management, resource assessment, project design, project permitting, land agreements, equipment, site preparation, systems installation, startup and shakedown, warranties, insurance, financing, professional services, and operations and maintenance costs;
- providing a detailed analysis and description of annual project revenues and expenses over the useful life of the project;
- providing a detailed description of applicable investment incentives, productivity incentives, loans, and grants; and
- identifying any other project authorities and subsidies that affect the project.

SECTION E: Business Plan

Submit a business plan that describes clearly presents the information requested in this section. Any or all of the requirements in the business plan may be omitted if the information is included in the feasibility study.

1. **Ownership structure and management** Describe the Borrower's ownership structure and management, including experience and succession planning; discusses, if applicable, the Borrower's parent, affiliates, and subsidiaries, including their names and a description of the relationship.
2. **Operation of proposed project** ; Discuss how the Borrower will operate the proposed project. In this discussion, address each of the following elements:
 - the business and its strategy;
 - possible vendors and models of major system components;
 - the products and services to be provided;
 - the availability of the resources (e.g., labor, raw materials, supplies) necessary to provide those product and services;
 - site location and its relation to product distribution (e.g., rail lines or highways) and

any land use or other permits necessary to operate the facility; and

- the market for the product and its competition, including any and all competitive threats and advantages.

3. **Financial Statements** presents pro forma financial statements, including balance sheet and income and expense for a period of not less than 3 years of stabilized operation and cash flows for the life of the project.
4. **Use of funds** Describes the proposed use of funds.
5. **Progress Reports** During construction, the Lender will submit quarterly construction progress reports, including a copy of the resident inspector's report, to the Agency. The quarterly construction reports will contain, at a minimum, construction milestone attainment, loan advances, and personnel hiring, training, and retention. Each report will explain the reason(s) for any significant variance(s) during the quarter and likely impact on the project going forward. At all times, from receipt by the Agency of an Application, until the Guaranteed Obligation is fully re-paid, the Lender will be obligated to inform the Agency expeditiously of any condition having, or potentially having, a material adverse effect on either the project or the ability of the parties to carry out their obligations. The Agency reserves the right to require submission of additional information as it deems necessary.

SECTION F: Environmental Information

Submit Form RD 1940-20, "Request for Environmental Information;" omitting the attachments specified in the instructions to the form; and attach an environmental information document completed pursuant to 7 CFR part 1940, subpart G, Exhibit H.

SECTION G: Lender's Analysis

1. **Written credit analysis.** Submit the Lender's complete written analysis of the project. This analysis must include the following elements:
 - a summary of the technology to be used in the project;
 - the viability of such technology for the particular project application;
 - whether the project is retrofit or Greenfield;
 - Borrower's management;
 - repayment ability (including a cash-flow analysis);
 - sponsor's history of debt repayment;
 - necessity of any debt refinancing; and
 - the credit reports of the Borrower, its principals, and any parent, affiliate, or subsidiary.

2. **Elements of Credit Quality.** In addition, the Lender's analysis must include a credit

evaluation to determine the credit quality of the Borrower. This evaluation must address all elements of credit quality, including the following:

- **Cash flow.** All efforts will be made to structure debt so that the business has adequate debt coverage and the ability to accommodate expansion.
 - **Collateral.** Collateral must have documented value sufficient to protect the interest of the Lender and the Agency, as determined by the Agency.
 - **Equity.** Borrowers shall demonstrate evidence of cash equity injection in the project of not less than 20 percent of eligible project costs. The fair market value of equity in real property that is to be pledged as collateral for the loan may be substituted in whole or in part to meet the cash equity requirement. However, the appraisal completed to establish the fair market value of the real property must not be more than 1 year old and must meet Agency appraisal standards. Otherwise, cash equity injection must be in the form of cash.
3. **Financials.** The credit analysis must also include spreadsheets of the balance sheets and income statements of the Borrower for the 3 previous years (for existing businesses), pro forma balance sheets at startup, and projected yearend balance sheets and income statements for a period of not less than 3 years of stabilized operation, with appropriate ratios and comparisons with industrial standards (such as Dun & Bradstreet or Robert Morris Associates) to the extent available.
4. **Format.** All data must be shown in total dollars and also in common size form, obtained by expressing all balance sheet items as a percentage of assets and all income and expense items as a percentage of sales.

SECTION H: Financial Information

1. **Matching Funds** Submit a spreadsheet identifying sources, amounts, and status of matching funds. The spreadsheet must also include a directory of matching funds source contact information. Attach any applications, correspondence, or other written communication between Borrower and matching fund source.
2. **Collateral** Describe and value all assets to serve as collateral for the Guaranteed Obligations. Real property and chattel collateral appraisals are to be conducted by an independent qualified appraiser in accordance with the Uniform Standards of Professional Appraisal Practices or successor standards. In addition, all appraisals used to establish the fair market value of the real property must not be more than 1 year old. All appraisals will include consideration of the potential effects from a release of hazardous substances or petroleum products or other environmental hazards on the market value of the collateral. A complete self-contained appraisal must be conducted. Lenders must complete a Phase I Environmental Site Assessment (ESA), in accordance with ASTM standards, which should be provided to the appraiser for completion of the self-contained appraisal. Lenders shall use specialized appraisers.
3. **Preliminary Credit Assessment** For projects where the estimated total cost is greater than \$125 million, provide a preliminary credit assessment for the project (excluding the loan

guarantee) from a nationally recognized rating agency. The assessment shall examine the project as structured, but in the absence of a loan guarantee from the Agency and shall identify any material assumptions utilized by the rating agency in its analysis. The Agency will require a final credit rating as a condition of financial close. For projects where the estimated total cost is \$125 million or less, in the sole discretion of the Administrator, the Agency may require such an assessment as well.

SECTION I: Loan Agreement

Include the proposed loan agreement (or a sample loan agreement) with an attached list of the proposed loan agreement provisions. The following must be addressed in the loan agreement:

- Prohibition against assuming liabilities or obligations of others;
- Restriction on dividend payments;
- Limitation on the purchase or sale of equipment and fixed assets;
- Limitation on compensation of officers and owners;
- Financial covenants regarding working capital or current ratio requirement, and maximum debt-to-net worth ratio;
- Borrower change of control;
- Repayment and amortization of the loan;
- List of collateral and lien priority for the loan;
- Type and frequency of financial statements to be required for the duration of the loan.
- A section for the later insertion of any additional requirements imposed by the Agency in its Conditional Commitment; and
- A section for the later insertion of any necessary mitigation measures by the Borrower to avoid or reduce adverse environmental impacts from this proposal's construction or operation.

SECTION J: Borrower Information

1. **Borrower Eligibility** Describe the type of Borrower and the Borrower's citizenship. If the Borrower is an entity other than an individual, the entity must be at least 51 percent owned by persons who are either (1) citizens of the United States (U.S.), the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa or (2) legally admitted permanent residents residing in the United States. Provide supporting documentation to verify that the Borrower is an eligible Borrower.

2. **Legal Authority** Describe the legal authority of the Borrower to carry out the proposed project activities. The Borrower must have, or obtain, the legal authority necessary to construct, operate, and maintain the proposed facility and services and to obtain, give security for, and repay the proposed loan. Provide supporting documentation.
3. **Bioenergy Experience** Describe the Borrower's, including principals', prior experience in bioenergy projects and the receipt of Federal financial assistance, including amount of funding, date received, purpose, and outcome, for such projects.
4. **Financial Information** Provide a current (not more than 90 days old) balance sheet; a *pro forma* balance sheet at startup; projected balance sheets and income and expense statements for a period of not less than 3 years of stabilized operation; and cash flow statements for the life of the project. Projections should be supported by a list of assumptions showing the basis for the projections.
5. **Credit Reports** Include a personal credit report from an acceptable credit reporting company for a proprietor (owner), each partner, officer, director, key employee, and stockholder owning 20 percent or more interest in the Borrower, except for those corporations listed on a major stock exchange. Credit reports are not required for elected and appointed officials when the Borrower is a public body. Also include commercial credit reports obtained by the Lender on the Borrower and any parent, affiliate, and subsidiary firms. The Agency may request additional documentation as part of the project evaluation process.
6. **Judgments, Delinquencies, Debarment, and Suspension** Disclose whether the Borrower or any owner with more than 20 percent ownership interest in the Borrower: (1) has any outstanding judgments obtained by the U.S. in a Federal Court (other than U.S. Tax Court), (2) is delinquent on the payment of Federal income taxes, (3) is delinquent on Federal debt, or (4) is debarred or suspended from receiving Federal assistance.

SECTION K: Lender Certifications

In submitting an Application for financial assistance under the Agency's Loan Guarantee Program, Lenders must provide a certification stating that the Lender has completed a comprehensive analysis of the proposal, the Borrower is eligible, the loan is for an eligible project, and there is reasonable assurance of repayment ability based on the Borrower's history, projections and equity, and the collateral to be obtained. In addition, the Lender must submit a certification that the proposed project will be in compliance with all applicable State and Federal environmental laws and regulations. The Agency may require that Lenders provide additional certifications or supporting documentation as part of the project evaluation process.

Attachment B

Application Form

**UNITED STATES
DEPARTMENT OF AGRICULTURE**

**APPLICATION GUIDANCE FOR FEDERAL ASSISTANCE
Section 9003 BioRefinery Loan Guarantees**

The implementation of this NOFA relies on the use of RD Form 4279-1, Application for Loan Guarantee, which is currently used for the Business and Industry and Section 9006 loan guarantee programs. However, in order to use this form for Section 9003 BioRefinery Assistance loan guarantees, additional instructions are required. These instructions follow.

1. All references to the Business and Industry program or the Section 9006 program in whatever manner, and whether referenced singularly or jointly, are deemed to be references to the BioRefinery Assistance Program described in this Guide.
2. All references to the Business and Industry or Section 9006 regulations in whatever manner, whether general or specific, whether singularly or jointly, and whether or not specific Code of Federal Regulation citations are used, are deemed to be a reference to the requirements of the BioRefinery Assistance Program described in this Guide.
3. Part A, Block 10, Type of Borrower, do not fill out if your entity is not listed.
4. Part A, Block 11. Instead of the SIC Code, fill in your NAICS.
5. Part A, Block 20. The instruction to provide information on persons or corporations that will have guaranteed the loan is not applicable.
6. Part A, Block 21, Business Plan. Comply with the business plan requirements in the NOFA rather than in Block 21.
7. Part A, Block 22 is not applicable.
8. Part A, Block 24 is not applicable because the Agency will obtain the form from the public domain.
9. Part A, Block 26, Independent Feasibility Study. Comply with the feasibility study requirements in the NOFA rather than in Block 26.
10. Part A, Block 29, Financial Statements. Comply with the financial statement requirements in the NOFA rather than in Block 29.
11. Part A, Block 30, which deals with guarantors, is not applicable.
12. Part A, Block 32 is not applicable.
13. Part A, Block 33, Technical Report. Replace Technical Report with Feasibility Study, which will include a technical assessment of the project.
14. Part B, Block 20. A sample loan agreement is also acceptable.
15. Part B, Block 22, which addresses the Lender's analysis. Attach the Lender's analysis as described in the NOFA.

20. PROVIDE INFORMATION BELOW ON KEY PEOPLE (PROPRIETOR, PARTNERS, OFFICERS, DIRECTORS, KEYS EMPLOYEES AND STOCKHOLDERS WITH 20% OR MORE INTEREST IN THE BUSINESS). ALSO INCLUDE PERSONS OR CORPORATION THAT WILL GUARANTEE LOAN. (*Optional, used for monitoring purposes only.)

NAME AND POSITION	RACE *	SEX *	U.S. CITIZEN YES OR NO	ANNUAL COMPENSATION	% OF OWNERSHIP	OUTSIDE NET WORTH	PERSONAL/ CORPORATE GUARANTEE YES OR NO

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

- 21. ATTACH BUSINESS PLAN that should as a minimum include description of business or project, management experience, products or services, proposed use of funds, community benefits, type and number of jobs, availability of labor or raw materials or supplies, names of any corporate parents, affiliates, subsidiaries and describe relationship, including products, ownership between borrower, parent, affiliates, etc..
- 22. "Certification of Non-Relocation and Market Capacity Information Report," Form 4279-2. (*Not applicable to Section 9006 Program*).
- 23. State Clearinghouse comments or recommendations.
- 24. For companies listed on major stock exchanges and or subject to the Securities and Exchange Commission regulations, a copy of Form 10-K; Annual Report Pursuant to Section 13 or 15D of the Act of 1934."
- 25. "Request for Environmental Information," Form RD 1940-20, and attachments. (*If applicable*)
- 26. Independent Feasibility Study. (*if applicable, see RD Instruction 4279-B, for Section 9006 Program, see §4280.128(b)(1)(vii).*)
- 27. Architectural or Engineering Plans. (*if applicable*)
- 28. Cost estimates and forecasts of contingency funds to cover cost increases or project changes.
- 29. Financial Statements; a) At least 3 years historical income statements and balance sheets (if an existing business), including parents, affiliate and subsidiary firms, Annual Audits if available; b) Current (not more than 90 days old) balance sheet and profit and loss statement (if an existing business); c) Pro-forma balance sheet (at startup); d) 2 years of projections: income statements, balance sheets and cash flow statements supported by a list of assumptions (monthly first year, quarterly for 2nd year). For the Section 9006 program, instead of complying with this item, comply with the requirements in §4280.128.
- 30. Record of any pending or final regulatory or legal (civil or criminal) action against the business, parent, affiliate, proposal guarantors, subsidiaries, principal stockholders, officers and directors.
- 31. If a health care facility, a "Certificate of Need" (*if required by state law*).
- 32. Current personal (not more than 60 days old) and corporate (not more than 90 days old) financial statements on guarantors in Item 20, above.
- 33. Technical Report (Section 9006 Program only; see §4280.128(b)(1)(vi) or §4280.128(c)(1)(ii), as applicable.

By my signature, I certify that I have read the General Borrower Certifications contained in this application. My signature represents my agreement to comply with the limitations outlined in the General Borrower Certifications.

CORPORATE SEAL

BORROWER SIGNATURE

ATTEST _____

BY _____

TITLE _____

TITLE _____

DATE _____

GENERAL BORROWER CERTIFICATIONS

(1) ASSURANCE AGREEMENT (TITLE VI, CIVIL RIGHTS ACT OF 1964)

"Recipient" herein hereby assures the United States Department of Agriculture that Recipient is in compliance with and will continue to comply with title VI of the Civil Rights Act of 1964 (42 U. S. C. 2000d et. seq.), 7 C.F.R. part 15, and USDA regulations promulgated hereunder, 7 C.F.R. § 1901.202 of subpart E of part 190.1. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

A. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof

B. Recipient shall:

- (1) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain compliance with this agreement and the regulations.
- (2) Permit access by authorized employees of the USDA during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
- (3) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the USDA finds necessary to inform such persons of the protection assured them against discrimination.

C. The obligations of this agreement shall continue:

- (1) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer.
- (2) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
- (3) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.

D. Upon any breach or violation of this agreement the Government may, at its option:

- (1) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
- (2) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

(2) EQUAL OPPORTUNITY AGREEMENT (EXECUTIVE ORDER 11246, AS AMENDED)

"Recipient" (whether one or more) and the USDA, pursuant to the rules and regulations of the Secretary of Labor ("Secretary") issued under the authority of Executive Order 11246, as amended, agree:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 unless exempted by rules, regulations or orders of the Secretary issued pursuant to section 204 of Executive Order 11246 of September 4, 1965.

A. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause" :

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
 - (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
 - (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement as required pursuant to section 202(3) of Executive Order 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (4) The contractor will comply with all provisions of Executive Order 11246, and of all rules, regulations and relevant orders of the Secretary of Labor and of any prior authority which remain in effect.
 - (5) The contractor shall furnish all information and reports required by Executive Order 11246, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA, Office of Civil Rights, and the Secretary for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - (6) In the event of the contractor's noncompliance with the Equal Opportunity (Federally Assisted Construction) clause or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government Contracts or Federally Assisted construction contracts on accordance with procedures authorized in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation or order of the Secretary, or as provided by Law No.
 - (7) The contractor will include the provisions of this Equal Opportunity (Federally Assisted Construction) clause in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each such subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order USDA may direct as a means of enforcing such provisions, including sanctions for non compliance: Provided, however, that in the event the contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.
- B. To be bound by the provisions of the Equal Opportunity Clause in construction work performed by Recipient and paid for in whole or in part with the aid of such financial assistance.
 - C. To notify all prospective contractors to file the required "Compliance Statement," Form RD 400-6, with their bids.
 - D. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt Federal and Federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
 - E. To assist and cooperate actively with the USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the provisions of the Equal Opportunity Clause and the said rules, regulations, and orders, to obtain and furnish to the USDA and the Secretary, Form AD-560, "Certification of Nonsegregated Facilities", to submit the Monthly Employment Utilization Report, Form CC-257, as required and such other information as may be required for the supervision of such compliance, and to otherwise assist the USDA in the discharge of its primary responsibility for securing compliance.

- F. To refrain from entering into any contract, or extension or other modification of a contract, subject to such Executive Order with a contractor debarred from Government contracts or Federally assisted construction contracts pursuant to part 11, subpart D, of such Executive Order or to prior authority; and to carry out such sanctions and penalties for violation of the provisions of the Equal Opportunity Clause as may be imposed upon contractors and subcontractors by the USDA or the Secretary pursuant to such subpart D.
- G. That if Recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: (a) cancel, terminate, or suspend said financial assistance in whole or in part; (b) refrain from extending any further assistance under the program involved until satisfactory assurance of future compliance has been received from Recipient; and (c) refer the case to the USDA Office of Civil Rights Enforcement and Adjudications Program Complaint and Adjudication Division, U. S. Department of Agriculture for appropriate action.

(3) FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

- A. The Recipient (Borrower) certifies, acknowledges and agrees that any loss claim(s) paid by the Government to the Lender on account of any guarantee made pursuant to this application will be a Federal debt owed to the Government by the Recipient. In such a case, the Government may use all legal collection remedies, including those under the Debt Collection Improvement Act. The Government's right to collect this Federal debt will not be affected by any release provided to the Recipient by the Lender. Lender agrees that any collection by the Government of this Federal debt will not be shared with the Lender.
- B. The Federal Government is authorized by law to take any and all actions in the event your loan payments become delinquent or you default on your loan:
- Report your name and account information to a credit reporting agency.
 - Assess interest and penalty charges for the period of time that payment is not made.
 - Assess charges to cover additional administrative costs incurred by the Government to service your account.
 - Offset amounts to be paid to you under other Federal programs.
 - Refer your account to a private collection agency to collect the amount due.
 - Foreclosure on any security you have given for the loan.
 - Pursue legal action to collect through the courts.
 - Report any written off debt to the Internal Revenue Service as taxable income.
 - If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
 - Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the Executive Branch of the Federal Government for a period of debarment or suspension.

(4) STATEMENT REQUIRED BY THE PRIVACY ACT

The USDA is authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et. seq.*) or other Acts administered by USDA to solicit the information requested on USDA application forms.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Account or Federal Identification Number, will result in the rejection of your application.

The principal purposes for collecting the requested information are to determine eligibility for USDA credit or other financial assistance, the need for interest credit or other servicing actions, for the servicing of your loan, and for statistical analysis. Information provided may be used outside of the Department of Agriculture for the following purposes:

- To provide the basis for borrower success stories in USDA news releases.
- Referral to the appropriate law enforcement agency as required by 40 FR 38924 (1975).
- Referral to employees, business, landlords, creditors or others to determine repayment ability and eligibility for USDA programs.
- Referral to a contractor providing services to USDA in connection with your loan.

- Referral to a credit reporting agency.
- Referral to a person or organization when USDA decides such referral is appropriate to assist in the collection or servicing of the loans.
- Referral to a Federal Records Center for storage.

Every effort will be made to protect the privacy of applicants and borrowers.

WARNING

All information supplied to USDA by you or your agents in connection with your loan application may be released to interested third parties, including competitors, without your knowledge or consent under the provision of the Freedom of Information Act (5 U.S.C. 522).

Much information not clearly marked "Confidential" may routinely be released if a request is received for same. Further, if we receive a request for information marked "Confidential," the Federal Government will release the information unless you can demonstrate to our satisfaction that release of the information would be likely to produce substantial competitive harm to your business or would constitute a clearly unwarranted invasion of personal privacy. Also, forms, consultant reports, etc., cannot be considered confidential in their entirety if confidential material contained therein can reasonably be segregated from other information.

Information submitted maybe made available to the public during the time it is held in Government files regardless of the action taken by USDA on your application.

FEDERAL EQUAL CREDIT OPPORTUNITY ACT STATEMENT

Federal law does not allow discrimination of any kind. You cannot be denied a loan because of your race, color, religion, national origin, sex, marital status, handicap, or age (if you can legally sign a contract). You cannot be denied a loan because all or part of your income is from a public assistance program. If you believe that you have been discriminated against for any of these reasons, you can write the secretary of Agriculture, Washington, D. C. 20250. You cannot be denied a loan because you exercised your rights under the Consumer Credit Protection Act. You must have exercised these rights in good faith. The Federal Agency responsible for seeing this law is obeyed is the Federal Trade Commission, Washington, D.C. 20580.

PART B: Completed By Lender

1. NAME OF LENDER		2. ADDRESS (Include Zip Code)	
3. LENDER TAX ID NUMBER	4. CONTACT PERSON	5. TELEPHONE NUMBER (Include Area Code)	
6. IS LOAN WITHIN LENDER'S LEGAL LENDING LIMIT? <input type="checkbox"/> Yes <input type="checkbox"/> No	7. GUARANTEE PERCENT REQUESTED? _____ %	8. WHY IS GUARANTEE NEEDED? _____	

9. LIST ANY OFFICER, DIRECTOR, STOCKHOLDER OR EMPLOYEE WHO HAS A FINANCIAL INTEREST IN THE BORROWER, OR VICE VERSA AND DESCRIBE THE RELATIONSHIP AND INTEREST:

10. LIST ALL FEES LENDER WILL CHARGE FOR THE LOAN, INCLUDING THE USDA GUARANTEE FEE:

11. LENDER'S SERVICING PLAN (FIELD INSPECTIONS, INTERIM STATEMENTS, ANNUAL AUDITS CREDIT ANALYSIS, ETC.):

12. LIST ANY OTHER USDA GUARANTEED BUSINESS AND INDUSTRY LOANS MADE BY LENDER:

Borrower Name	Program Type	Total Loan Amount	Guaranteed Loan Amount	Closing Date

13. PROPOSED KEY EMPLOYEE LIFE INSURANCE, EMPLOYEE NAME(S) AND AMOUNT(S)

	Assigned to Guaranteed Loan?
	Assigned to Guaranteed Loan?

14. COLLATERAL AVAILABLE FOR THE USDA GUARANTEED LOAN:

Presently Owned or to be Acquired	Value	Value Type	Discount Factor	Prior Liens *	Net Collateral Value
Accounts Receivable					
Inventory					
Office Furniture and Equipment					
Automotive Equipment					
Machinery and Equipment					
Building					
Land					
Other:					
TOTALS					

* Indicate by asterisk liens to be paid of with USDA guaranteed loan funds

15.	Project Purpose and Funding	Borrower Contribution	USDA Guaranteed Loan	Other Funds	Total
	Working Capital				
	Office Furniture and Equipment				
	Automotive Equipment				
	Machinery and Equipment				
	Real Estate				
	Debt Restructuring				
	Fees: Professional, USDA Guarantee				
	Other				
	TOTAL				

16.	Proposed Financing	Loan Amount	Interest Rate "V" variable	Base Rate As of Today	Interest Rate Tied To	Days Interest Computed On	Term "Y" - "Mo"	Monthly Payments
	TOTAL							

17.	B & I	Section 9006 Program
	Tangible book equity cannot include appraisal surplus or subordinated debt. May include Proprietorship, Partnership, or other forms of Net Worth.	Cash equity injection or fair market value of equity in real property that is to be pledged as collateral for the loan.
	When Loan Note Guarantee is Issued:	Cash equity: \$
	Common Stock	Equity in real property: \$
	Preferred Stock	TOTAL EQUITY: \$
	Retained Earnings	
	Capital Surplus	Total Eligible Project Cost: \$
	Other *	Equity percentage: (=Total Equity/Total Project Cost) %
	TOTAL	USDA use: 15% Equity if loan <= \$600,000 <input type="checkbox"/> OK 25% Equity if loan > \$600,000 <input type="checkbox"/> OK

ATTACH THE FOLLOWING IF NOT ALREADY SUBMITTED:

- 18. Intergovernmental Review Clearance *(If applicable)*.
- 19. Credit reports on the borrower, its principles, and any parent, affiliate or subsidiary firms.
- 20. Proposed term Loan Agreement between lender and borrower *(See subpart B to 4279, section 4279.161 (b)(11) for minimum requirements). For the Section 9006 Program, see §4279.128(b)(2)(xii)*
- 21. Appraisal reports *(Submit as soon as available)*.
- 22. Lender's analysis including: spreadsheets of the balance sheets and income statements for 3 years historical, proforma balance sheet at start up, 2 years projected yearend balance sheets and income statements with appropriate ratios and comparison with industrial standards (such as D&B, RMA). All data must be shown in total dollars and also in common size form, obtained by expressing all balance sheet items as a percentage of assets, and all income and expenses as a percentage of sales. The lender's credit analysis must address the borrower's management, repayment ability, history of debt repayment, necessity for any debt refinancing, and the credit reports on the borrower, its principals, and any parent, affiliate or subsidiary firms.

GENERAL LENDER CERTIFICATION

Lender certifies that it has reviewed the General Lender Certifications contained in this application. Lender's signature represents the lending institution's agreement to comply with the limitations outlined in the General Lender Certifications.

Lender institution certifies that it meets all criteria to be considered as an Eligible Lender.

Lender certifies that it has completed a comprehensive analysis of the proposal, the proposed borrower is eligible, the loan is for authorize purposes, and there is reasonable assurance of repayment ability based on the proposed borrower's history, projections, equity, and the collateral to be obtained.

Lender's Name

Date

By: _____
Officer Signature

Officer Title

GENERAL LENDER CERTIFICATIONS

LENDER _____

(1) RESTRICTIONS AND DISCLOSURE OF LOBBYING ACTIVITIES

If any funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by §3017.510, Participants' responsibilities. The regulations were published as part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

(2) CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -PRIMARY COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12649, Debarment and Suspension, 7 C.F.R. §3017.510, Participants' responsibilities. The regulations were published as part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," and "voluntarily excluded," as used in this clause, have the meanings set out in Definitions and Coverage sections of rules implementing Executive Order 12649. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into a lower tier covered transaction with a person who is debarred, suspended, ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

The prospective primary participant further agrees by submitting this form that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tiered Transactions, provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of this section, if a participant in a covered transaction knowingly enters into a

lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate this transaction for cause or default.

- (A) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (2) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal, or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;
 - (3) are not presently indicated for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph A. 2. of this certification; and
 - (4) have not within a three-year period preceding this application or proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (B) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PROJECT SUMMARY
(Business & Industry and 9006 Program)
Part C: Completed by USDA

B&I ASSISTANCE PROPOSED

\$	Loan Amount
%	Percentage Guarantee Recommended
%	Guarantee Fee

APPLICATION PROCESSING TIME-LINE

Preapplication	
Field visit	
Complete application	

Insert the following, only if appropriate:

NOTE: Lender requested \$ *. A reduced amount is recommended in this Project Summary.**

BORROWER

BORROWER

Type of Business

Location

(proprietorship/partnership/corporation /cooperative)

(1990 population =)

In Business Since

Affiliated Businesses

dba

Case Number

00-0

Congressional District

Borrower:

Lender:

PROJECT

Project Type

Project Description

If this is a business acquisition project, edit the following comment as appropriate:

This business acquisition will:

- keep the business from closing
- prevent the loss of employment opportunities
- provide expanded job opportunities

because ...

If the loan is less than \$750,000, edit the following comment as appropriate:

SBA financing is not appropriate:

- This applicant is not eligible for SBA assistance because ...
- The applicant has already used up their SBA authority.
- This lender does not use the SBA guaranteed lending program.
- This is a subsequent loan to a B&I borrower.

OWNERSHIP

<u>Owners</u>	<u>Share</u>	<u>Position</u>	<u>Citizenship</u>	<u>Commercial Guaranty</u>	<u>Outside Net Worth</u>
	%		US	yes/no	\$
	%		US	yes/no	\$

LENDER

LENDER

Loan Officer

PROJECT SUMMARY (Business & Industry and 9006 Program)

B&I LOAN

<u>Loan</u>	<u>Amount</u>	<u>Rate</u>	<u>IR Formula</u>	<u>V/F</u>	<u>Term</u>	<u>Monthly Payment</u>	<u>Annual Debt Service</u>
Initial				F			

Approval Level
State **or** National Office

Funding Plan
FY00 Regular State allocation or National Office Reserve

SOURCE & USE OF FUNDS

Purpose	Borrower Contribution	B&I Loan	Other *	Total	
Land					#DIV/O!
RE Improvements					#DIV/O!
Contingency & Reserve					#DIV/O!
M&E					#DIV/O!
Working Capital					#DIV/O!
Refinance **					#DIV/O!
Fees & Costs					#DIV/O!
Total =					

Percent Contribution = #DIV/O! #DIV/O! #DIV/O!

If there is an "Other" source of funds, use the following table as appropriate:

*** Other source of funds:**

Source	Type of Assistance	Amount	Rates & Terms	Comment
	Grant			
	Loan			
	Line of Credit			

If there is debt refinance, use the following table as appropriate:

**** Explanation of refinance:** The debt being refinanced is owed to . The original purpose of this loan was .

Annual debt service before refinance	Annual debt service after refinance	Annual savings	Additional benefits:
\$ /yr	\$ /yr	\$ /yr	<ul style="list-style-type: none"> • Creates and/or saves *** jobs. • removes balloon payment • allows lender to gain needed lien priority • frees up SBA authority for other project add or delete benefits as appropriate

If the lender is refinancing its own debt, edit the following comment as appropriate:

The debt being refinanced that is in the lender's existing portfolio has been current for the last 12 months not due to debt restructuring. This refinance represents only % (<50%) of the loan.

PROJECT SUMMARY (Business & Industry and 9006 Program)

COMMUNITY & JOBS IMPACT

<u>Jobs created</u>	<u>Jobs retained</u>	<u>Total Jobs</u>	<u>Average Wage Rate</u>
			\$ /hour

Loan to Job Ratio:
(*Loan / No. Jobs*)
\$ /job

<u>Priority Score Points</u>

Community Benefits

Targeted Area?

Dept. of Labor Clearance

BUSINESS REPUTATION & CREDIT HISTORY

Business and personal credit reports indicate . All existing loans are .

FINANCIAL POSITION

Historical Balance Sheets

None. This is a start-up.

OR

(in \$1,000's)

	12/31/2002	12/31/2003	12/31/2004	Current 6/30/2005	RMA
Current Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
Fixed Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
<u>Other Assets</u>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Asset	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Current Liabilities	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
<u>Term Liabilities</u>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Total Liabilities	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?
Equity	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	?

Discussion of significant changes or trends in liquidity and solvency

Compared to RMA industry standards,

PROJECT SUMMARY (Business & Industry and 9006 Program)

Tangible Balance Sheet Equity calculation

(in \$1,000's)	Current 6/30/2005	less intangibles	plus Additions	less Subtractions	Tangible Pro Forma
Current Assets	#DIV/O!				#DIV/O!
Fixed Assets	#DIV/O!				#DIV/O!
Other Assets	#DIV/O!				#DIV/O!
Total Asset	#DIV/O!				#DIV/O!
Current Liabilities	#DIV/O!				#DIV/O!
Term Liabilities	#DIV/O!				#DIV/O!
Total Liabilities	#DIV/O!				#DIV/O!
Equity	#DIV/O!				#DIV/O!

Pro forma working capital position and liquidity

Compared to RMA industry standards,

The business will have adequate operating capital from _____

Pro forma equity position and solvency

Compared to RMA industry standards,

The business will meet the _____ % minimum pro forma equity requirement for an existing or startup business.

FEASIBILITY & REPAYMENT ABILITY

Feasibility study:

Management experience:

Industry trends -- strength & weakness:

Market -- supply/demand, competition, locational factors, & demographics:

Lease or contractual commitments:

Support from related enterprises:

PROJECT SUMMARY (Business & Industry and 9006 Program)

Historical & Projected Income Statements

(in \$1,000's)	12/31/2002	12/31/2003	12/31/2004	6/30/2005	RMA	Year 1	Year 2
Gross Revenue							
CGS							
Gross Profit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
Op'g & Other Exp							
Net Profit	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
Add Back							
+Rent							
+Depreciaton							
Interest							
Funds Available	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!
<i>Debt Service Ability (comparing historical / projected Funds Available with projected Debt Service)</i>							
New B&I Loan							
Continuing Debt							
Debt Service							
Margin							
Coverage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!

Historical trends:

Comparison with RMA industry averages:

Basis for projections:

Outlook:

PROJECT SUMMARY (Business & Industry and 9006 Program)

COLLATERAL

B&I Loan= \$ _____

Type	Description	Source	Value	Discount	Prior Liens *	Collateral Value
RE	1st d/t on	FMV		%		
RE		FMV		%		
M&E		Cost		%		
Inventory		Book		%		
A/R		Book		%		
Total =						

Total Loan-to-Value = _____

Coverage = _____

* Prior lienholders:

Key Person Life Insurance Proposed Rationale

LOAN SUPERVISION

<u>Level of Financials Proposed</u>	<u>FYE Date</u>	<u>Additional loan covenants needed</u>
	12/31	

ENVIRONMENTAL

<u>Type of Environmental Analysis</u>	<u>Status</u>	<u>Studies Required</u>	<u>Environmental concerns</u>
<input type="checkbox"/> Categorical Exclusion (CE)	<input type="checkbox"/> In Progress	<input type="checkbox"/> Archeological Cost \$ _____ BA Cost \$ _____	<input type="checkbox"/> None
<input type="checkbox"/> Environmental Assessment (EA)	<input type="checkbox"/> Completed	<input type="checkbox"/> Historic Structures, Buildings, Objects Cost \$ _____	<input type="checkbox"/> Mitigation Required
<input type="checkbox"/> Environmental Impact Statement (EIS)		<input type="checkbox"/> Flood Insurance Required Cost \$ _____ <input type="checkbox"/> TSQ Screening Cost \$ _____ <input type="checkbox"/> Phase I ESA Cost \$ _____	

Other Environmental Comments:

PROJECT SUMMARY (Business & Industry and 9006 Program)

SUMMARY

<u>Strengths</u>	<u>Weaknesses</u>
------------------	-------------------

RECOMMENDATION

Approval is recommended subject to the attached draft conditions. _____
B&I LOAN OFFICER NAME Date

Use the following only if applicable to the project. Otherwise, delete them.

1% GUARANTEE FEE PROPOSAL

This project appears to satisfy the criteria for a 1% fee, subject to the approval of the RBS Administrator:

<u>RD Instruction 4279-B, § 4279.107 criteria</u>	<u>B&I Project</u>
High Impact Business	20%+ sales in international markets
	Industry not now present in area
	High value products & services
	Provides market for local businesses
	Locally owned & managed
	Natural resource value-added product
Hard Hit Community	Job deterioration
	Natural disaster
	Structural change in economic base

90% GUARANTEE PROPOSAL

This project appears to satisfy the criteria for a 90% guarantee, subject to the approval of the RBS Administrator:

<u>RD Instruction 4279-B, § 4279.119(b) criteria</u>	<u>B&I project</u>
Project is a high-priority project	
Loan will not be made <u>and</u> project will not be completed without a 90% guarantee	

Attachment C

Fee Rate Schedule

**UNITED STATES
 DEPARTMENT OF AGRICULTURE**

**FEE SCHEDULE FOR LOAN GUARANTEE
 Section 9003 BioRefinery Assistance Loan Guarantees**

LOAN GUARANTEE FEE RATE STRUCTURE:

Type of Fee	Percent Guarantee is XX of Total Project Costs	Fee Rate
I. <u>Guarantee Fee</u>	>75%	2%
	>65% and less than or equal to 75%	1.5%
	65% or less	1%
II. <u>Annual Renewal Fee</u>	>75%	1%
	>65% and less than or equal to 75%	0.75%
	65% or less	0.5%