



# USDA BUSINESS AND INDUSTRY LOAN (B&I LOAN)

## Guaranteed Loan Program

ECCDI as part of its mission statement to facilitate access to capital for small businesses, packages B&I Guaranteed Loan applications on behalf of private lenders. The main purpose of the B&I program is to create and save rural jobs and improve the economic and environmental climate of rural communities.

### **Benefits of the B&I Guaranteed Loan Program:**

- Higher loan amounts, less equity injection, lower interest rates and longer repayment terms
- B&I Guarantee provides financial institutions the assurance of loan repayment with zero recourse to the borrower
- Provides stability to businesses to allow for expansion, diversity, job retention and job creation in rural areas

### **Projects Financed**

- Business and real estate acquisition
- Construction and improvements
- Purchase of machinery and equipment
- Working capital, accounts payable and inventory
- New and Emerging businesses
- Refinancing under certain conditions

*Multi Progress Possible*

### **Loan Amounts**

- Up to \$10 Million
- 80% loan guarantee up to \$5 Million
- 70% loan guarantee over \$5 Million and up to \$10 Million

### **Interest Rate**

- At lender's discretion-negotiated strongly by ECCDI

### **Term**

- Lenders can offer up to 30 years for real estate; working capital and equipment between 7 and 15 years. No balloon payments permitted

### **Collateral Position**

- Normally, first position on assets being purchased or refinanced with loan proceeds. Assets outside of the business may be required to adequately secure the loan. Personal guarantees of all principals.

### **Fees**

- \$1,500 application fee to ECCDI due upon return of application
- Fees negotiated by ECCDI on behalf of client with private lenders
- 2% of the guaranteed amount payable to USDA upon closing
- Processing fee due to ECCDI upon closing

If you would like more information regarding the USDA B&I program, please contact Sarah Bulla [sbulla@eccdi.com](mailto:sbulla@eccdi.com) or Noreen Walker [nwalker@eccdi.com](mailto:nwalker@eccdi.com) at 252-504-3996.

*Making Progress Possible*