



Governor Rod Blagojevich

Director Renee Cipriano



A Guide to Federal, State and Regional Loan and Grant
Programs for Agribusiness

Prepared by:

Illinois Environmental Protection Agency
P.O. Box 19276
1021 North Grand Avenue East
Springfield, Illinois 62794-9276
1-888-EPA-1996
cafo@epa.state.il.us

Program	Illinois Finance Authority Rural Development Loan Program	SBA 7(a) Loan Guaranty Program-The SBA's Primary Loan Program	SBA LowDoc Loan	SBA Minority and Women's Prequalification Loan Program	SBA CAPLines Seasonal, Contract, Builders, Standard Asset Based and Small Asset Based	SBA Express Loan
Purpose	Assist businesses in rural communities with population of less than 25,000; finance fixed asset project	Business start ups or expansion, construction of new facility, purchase land or buildings fixtures, leasehold improvements, working capital; refinance debt for compelling reasons, inventory	Same as 7(a) except may not be used to repay certain types of existing debt	See 7(a)	Finance seasonal working capital needs; costs to perform; construction costs; advances against existing inventory and receivables; consolidation of short term debts possible	Same as 7(a) with limitations on real estate and construction; may be used for term loans or revolving credits
Eligibility	Business facilities and community development projects in eligible rural area	Must be operated for profit, meet SBA size standards, show good character, management expertise and commitment, and ability to repay; may not be involved in speculation investment in rental real estate	Same as 7(a) Program relies on applicant's character and credit history	Must be at least 51% owned and operated by racial/ethnic minority or women, focus on credit history, ability to repay, probability of success	Existing businesses See 7(a)	See 7(a)
Loan Amount	Up to \$150,000 or 75%	Up to \$2,000,000	Up to \$150,000	Up to \$250,000	\$2,000,000 (except small asset based) \$200,000 (total loan amount)	Up to \$250,000
Term	Up to 10 years	Depends on ability to repay, generally working capital is 5-7 years, machinery equipment up to 10 years, real estate construction up to 25 years	Depends on ability to repay, and use of proceeds, but not to exceed 25 years for fixed assets; 10 years in all other uses	See 7(a)	Up to 5 years	Term loan same as 7(a), no more than 5 years on revolving line of credit
Rate	Fixed interest rate of 6%	Negotiable with lender, loans under 7 years, max prime + 2.25%; 7 years or more, max 2.75% over prime; under 50,000, rates may be higher	See 7(a)	See 7(a)	See 7(a)	See 7(a)
Fees	\$100 non refundable application fee \$225 loan commitment fee \$225 loan servicing fee	Paid by lender (may be passed on); Based on maturity, amount of SBA exposure: 1 year or less, 0.25%; over 1 year, SBA share \$150,000 or less, 1%; \$150,000 - \$700,000 2.5%; more than \$700,000, 3.5%	See 7(a)	See 7(a); plus minority program may use for profit intermediaries; women's program uses non-profits only, both may charge fees	See 7(a) under standard asset-based, no restrictions on servicing fees	See 7(a)
Job Criteria	Must create or retain jobs	N/A	N/A	N/A	N/A	N/A
Other Requirements		N/A	N/A	N/A	N/A	N/A
Website	www.idfa.com	www.sba.gov	www.sba.gov	www.sba.gov	www.sba.gov	www.sba.gov

Program	SBA Export Express Loan	SBA International Trade Loan	SBA 7(m) MicroLoan Program	SBA 504 Certified Development Company Program	USDA Business – Industrial Loan	DCEO Capital Access Program
Purpose	Broad range of financing needs aimed at initiating or expanding export activity See program guide for details.	Working capital, acquisition or improvements in US for producing goods or services; may not be used to repay existing debt	Purchase equipment, machinery, fixtures, leasehold improvements, finance increased receivables, working capital, may not be used to pay existing debt	Purchase of major fixed assets such as land, buildings, improvements, long term equipment, construction, renovation	Land & building, new construction or renovation, equipment, working capital + refinance (max. 50% of project)	Designed to encourage lending institutions to make loans to new and small businesses that do not qualify under conventional lending policies
Eligibility	See 7(a) Note; must have minimum 1 full year operating history	Small businesses engaged in international trade adversely effected by competition from imports see 7(a) for qualification	Same as 7(a)	For profit businesses that do not exceed \$7 million in tangible net worth and did not have average net income over \$2.5 million for past 2 years	Virtually any legally organized entity	Any for profit entity with less than 500 employees located in Illinois
Loan Amount	Up to \$250,000	Up to \$2,000,000 SBA share	\$35,000 (total loan amount)	Up to \$1,300,000	Up to \$25,000,000 aggregate per borrower	Up to \$100,000
Term	Term Loan same as 7(a); no more than 5 years on revolving line of credit	Up to 25 Years	Shortest term possible, not to exceed 6 years	10 or 20 years	Real Estate 30 yr; Equipment 15 yr; Working Cap. 7 yr	Lender sets terms
Rate	See 7(a)	See 7(a)	Negotiable with intermediary	Based on current market rate for 5-10 year Treasury issues, plus an increment above Treasury rate	Lender sets rates	Lender sets rate
Fees	See 7(a)	See 7(a)	No guaranty fee	Fees related to debenture, approx. 3%	2% on guaranteed portion	Each loan has a one-time enrollment fee of 3-7%
Job Criteria	N/A	N/A	N/A	N/A	Potential to create and retain jobs	None
Other Requirements	N/A	N/A	N/A	N/A	No in-house debt refinancing (greater than 50% of the total package)	No debt refinancing or contingency
Website	www.sba.gov	www.sba.gov	www.sba.gov	www.sba.gov	www.rurdev.usda.gov	www.illinoisbiz.biz

SBA – Small Business Administration

USDA – United States Department of Agriculture

DCEO – Illinois Department of Commerce and Economic Opportunity

Program	DCEO Enterprise Zone Financing Program	DCEO Participation Loan Program	DCEO Minority & Women Participation Loan Program	Traditional Bank Financing	Farm Credit Services	NRCS EQIP Cost-Share Grants
Purpose	Land and building, new construction or renovation equipment working capital	Land and building, new construction or renovation, equipment, working capital	Land and building, new construction or renovation, equipment, working capital	Purchase real estate, working capital, real estate construction, machinery and equipment	Purchase real estate, working capital, real estate construction, machinery and equipment	Livestock operations are eligible to receive cost share payments for waste storage facilities
Eligibility	Any for profit entity w/less than 500 employees located in Illinois Enterprise Zone	Any for profit small business w/less than 500 full-time employees	Minority and/or women business; <500 employees	Legally organized entity	Legally organized entity	Livestock Operations
Loan Amount	Up to \$750,000 or 25%	25% up to \$750,000 or for Minority, Women, Disabled 50% up to \$50,000	Up to \$50,000 or 50%	Based on value of collateral and cash flow	Based on value of collateral and cash flow	Up to \$450,000 per individual or entity
Term	Match participating bank; No more than 10 years unless ballooned	Match participating bank; No more than 10 years unless ballooned	Real Estate: 10-20 Equipment: 7-10 Working Cap. 3-5 years	Negotiable	Negotiable	1 to 20 years
Rate	Call DCEO Business Finance Division for current rate at 217/782-3891	Call DCEO Business Finance Division for current rate at 217/782-3891	Call DCEO Business Finance Division for current rate at 217/782-3891	Fixed and variable at prevailing market rates	Fixed and variable at prevailing market rates	Up to a 90% cost share
Fees	None	2% subordination fee if DCEO is requested to subordinate	None	Negotiable	Negotiable	
Job Criteria	Potential to create or retain jobs	Potential to create or retain jobs	\$10,000/job/created/retained	None	N/A	
Other Requirements	No debt refinancing or contingency	No debt refinancing or contingency	Personal guarantees; bank commitment letter required; No debt refinancing			Average adjusted gross income for the previous three years can not exceed \$2.5 mil, unless 75% was derived from agricultural activities
Website	www.illinoisbiz.biz	www.illinoisbiz.biz	www.illinoisbiz.biz		http://www.farmcredit.com	www.il.nrcs.usda.gov

NRCS – Natural Resources Conservation Service
EQIP – Environmental Quality Incentives Program

Program	Illinois State Treasurer's Ag & Alternative Ag Annual Operating Loan	Illinois State Treasurer's Agriculture Long Term Loan	Illinois State Treasurer's Alternative/Value Added Ag Long Term Loan	Illinois State Treasurer's Economic Program STEP	USDA Federal Farm Bill Section 9006-Renewable Energy & Energy Efficiency
Purpose	Fund inputs, purchase livestock, equipment, construction related costs, soil & water conservation	Land acquisition, inventory, equipment, construction	Land acquisition, inventory, equipment, construction	Encourage economic development throughout Illinois in additional jobs being created by the borrower	To promote renewable energy in rural areas
Eligibility	Illinois resident farmer	Illinois resident farmer	Illinois resident farmer	Creditworthy as determined by their financial institution who assumes the credit risk	Eligible applicants include farmers, ranchers and rural small businesses. To be eligible for grants, applicant must demonstrate financial need as determined by USDA.
Loan Amount	Max \$200,000 per borrower or max \$400,000 per operation	Max \$100,000 per borrower	Max \$100,000 per borrower	\$25,000 per job created	Negotiable
Term	1 year	1 to 5 years	1 to 5 years	5 years max	N/A
Rate	Rates are established on the second business day each month	Established daily by the Treasurers office at a rate that is 70% of Treasury Notes	Established daily by the Treasurers office at a rate that is 70% of Treasury Notes	Below market	N/A
Fees				None	N/A
Job Criteria				Permanent or part-time equivalent	N/A
Other Requirements				Application for STEP must be approved by the Treasurer's office	N/A
Website	www.state.il.us/treas/	www.state.il.us/treas/	www.state.il.us/treas/	www.state.il.us/treas/	www.rurdev.usda.gov