

USDA Announces \$1 Billion in Rural Loan Guarantees

Today, the U.S. Department of Agriculture (USDA) announced up to \$1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. Additionally, agricultural producers that are not eligible for USDA Farm Service Agency loans may receive funding.

Key Highlights

- Loans must be used as working capital to prevent, prepare for or respond to the effects of the coronavirus pandemic.
- The loans may be used only to support rural businesses, including agricultural producers, in operation on Feb. 15, 2020.
- Loan will be disbursed through multiple draws on an as-needed monthly basis.
- The USDA will provide 90 percent guarantees on B&I CARES Act Program loans.
- The application and guarantee fee is set at two percent of the loan.
- The USDA will accept appraisals completed within two years of the application date.
- Loan will not require discounting of collateral for working capital loans.
- The maximum term is extended to 10 years and must be fully-amortized.

USDA intends to consider applications in the order they are received. However, the Department may assign priority points to projects if the demand for funds exceeds availability.

Eligible applicants may contact their local USDA Rural Development [State Office](#) in the state where the project is located. USDA is developing application guides for lenders and borrowers on the B&I CARES Act Program.

The Agency also will host two webinars to provide an overview of program requirements.

- To register for the webinar on Wednesday, May 27 at 3:30 p.m. Eastern Time, visit: globalmeet.webcasts.com/starthere.jsp?ei=1322642&tp_key=7a700acddd.
- To register for the webinar on Wednesday, June 3 at 2:00 p.m. Eastern Time, visit: globalmeetwebinar.webcasts.com/starthere.jsp?ei=1324161&tp_key=6067315417.

See the details here: [USDA Business & Industry \(B&I\) CARES Act Program](#)

Contact Us

Reach out to Fraser Stryker's business attorneys for more information. We are here to help:



Mark L. Brasee

mbrasee@fraserstryker.com

(402) 978-5306



Neil P. Hassler

nhassler@fraserstryker.com

(402) 978-5374

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