



United States Department of Agriculture
Rural Development
 Committed to the future of rural communities



Michigan Rural Business and Cooperative Service

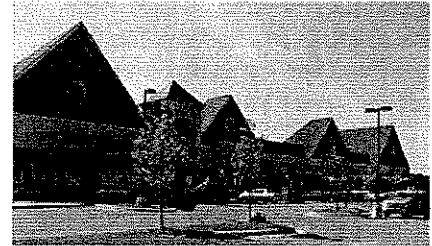
Guaranteed Loan Program Update

September 2009

ARRA (Stimulus) FUNDS ARE HERE!

Rural Development has received additional funding from the Stimulus Bill for its B&I Guaranteed Loan Program. On July 24th, our B&I-ARRA program authorities were unveiled in the Federal Register. Here are the significant changes to our standard B&I Guarantee Program.

- The B&I Guarantee Fee has been cut in half – from 2% to 1%.
- The B&I Annual Renewal Fee has been completely Eliminated!
- A 90% Guarantee can now be offered on loans up to \$10 million, provided the project meets certain standards – e.g., the business being assisted will provide Quality Jobs and is in a Distressed Area.



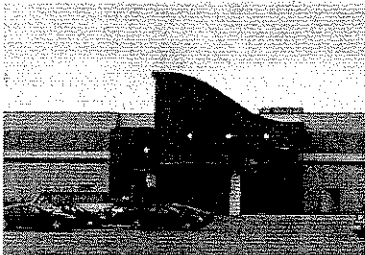
Did you know we can provide guarantees on non-owner occupied projects?

The first two features make for a low-cost guaranteed loan program offering real savings for rural businesses. For example, on a \$1 million, 25-year loan, a B&I ARRA borrower will save \$8,000 initially on the fee and another roughly \$32,000 over the life of the loan. Lower costs are not only more attractive, they are easier to underwrite.

Proposed B&I Rule Changes Withdrawn!

The plan to re-write all of the B&I Program's governing regulations has been abandoned.

For more details about the B&I-ARRA program, simply give us a call!



Movie Theater financed with a Business loan guarantee.

B&I Regular Funding – The Money's Still There!

With business lending down everywhere, B&I Guaranteed lending activity is also down across most of the nation. In Michigan we have funds from our regular allocation, as well as ARRA, to assist Michigan lenders as lending begins to recover. If your project's needs can't be met with B&I-ARRA funds, the good-ole, regular B&I Program is ready to help.

Don't Forget Low-Doc Lending...

More than ever, Lenders are encouraged to make use of the B&I program designed for smaller loans. Under the Low-Doc program, B&I guarantees can be offered on rural business loans of \$400,000 (in some cases \$600,000) or less. The paperwork is considerably lessened and the processing times can be faster. Let us help with your smaller loans, too.

YOU Can Be A B&I Lender – We're here to help!

A unique strength of the B&I Program is its local network of Specialists who can help you through the process. Give us a call!

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