

The First Financial Difference

At First Financial, our Food and Ag team has specialized knowledge and experience you won't find anywhere else. We:

- Do business with our boots on – our entire team is from rural communities in our footprint.
- Are or have been involved in some sort of production agriculture or agribusiness venture including the credit team.
- Have over a decade of experience with FSA & USDA Guaranteed Lending.
- Are committed to the industry with over 150 years of food & agribusiness banking.
- Are committed to the communities we serve with much of our footprint covering towns with populations less than 50,000.

What are USDA OneRD Guaranteed Loan Programs?

The U.S. Department of Agriculture (USDA) offers guaranteed small business loans designed to support U.S. rural areas to provide flexible loan options and access to affordable financing.

Qualified Areas

Must be in an eligible area defined as a rural area, not in a city or town with a population of more than 50,000 inhabitants. However, the borrower's headquarters may be located within a larger city as long as the project is located in an eligible rural area.

Who May Qualify?

- For-profit or non-profit businesses
- Cooperatives
- Federally recognized tribes
- Public bodies
- Individuals engaged or proposing to engage in a business

Borrowing Restrictions

- Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence.
- Private entity borrowers must demonstrate that loan funds will remain in the U.S. and the facility being financed will primarily create new or save existing jobs for rural U.S. Residents.



USDA Guaranteed Loans

Maximum Loan Amount: Loans cannot exceed \$10 million without administrator approval.

Fees: Initial guarantee fee of 3% of the guaranteed amount, a guarantee retention fee at .5% of the outstanding principal balance, and reasonable and customary fees for loan origination negotiated between borrower and lender.

Eligible Use of Funds

- Business conversion, enlargement, repair, modernization, or development.
- The purchase and development of land, buildings, and associated infrastructure for commercial or industrial properties.
- The purchase and installation of machinery and equipment, supplies or inventory.
- Debt refinancing when such refinancing improves cash flow and creates jobs.
- Business and industrial acquisitions when the loan will maintain business operations and create or save jobs.

Guaranteed Loan Funds May NOT be Used for?

- Lines of credit
- Owner-occupied and rental housing
- Golf courses or golf course infrastructure
- Racetracks or gambling facilities
- Churches or church-controlled organizations
- Fraternal organizations
- Lending, investment, and insurance companies
- Agricultural production, with certain exceptions
- Distribution or payment to a beneficiary of the borrower or an individual or entity that will retain an ownership interest in the borrower