

USDA Business and Industry Guaranteed Loans

Guaranteed Loans to Strengthen Our Community

First National Bank of Northfield is an eligible lender for the USDA Business and Industry Guaranteed Loan Program. The purpose of this program is to provide funding that will improve, develop, or finance business, industry and employment, and improve the economic and environmental climate in rural communities.

Contact one of First National's experienced business bankers to see if you qualify.

Features

Eligible Purposes	<p>Business and industrial acquisitions. Purchase of land, machinery and equipment. Construction, enlargement or modernization. Working capital. Refinancing when it is determined that refinancing is necessary to improve cash flow and create new or save existing jobs. Commercially available energy projects that produce biomass fuel or biogas.</p>
Loan Size	Maximum \$10 million with exceptions up to \$25 million in some circumstances.
Loan Terms	<p>Real Estate: 30 years. Equipment: 15 years or useful life. Working Capital: 7 years.</p>
Interest Rate	The interest rate is negotiated between lender and applicant, and may be either fixed or variable. Rates are subject to agency review and approval.
USDA Fees	The USDA guarantee fee is 2% of the guaranteed portion of the loan.
Guarantee	The maximum percentage guaranteed by the USDA is 80% for loans of \$5 million or less, 70% for loans between \$5 million and \$10 million, and 60% for loans exceeding \$10 million.
Collateral	Collateral must have documented value sufficient to protect the interest of the lender and the USDA.
Equity	<p>The tangible balance sheet equity requirement is: Existing Businesses: 10% Startup Businesses: 20% Energy Projects: 25–40%</p>