

Rural Community Resources

USDA Rural Development Business and Industry Loan Guarantee Program

The CARES Act includes \$20.5 million to support \$1 billion in lending for USDA's Rural Development Business and Industry Loan Guarantee Program. The Business and Industry Guaranteed Loan Program is a loan guarantee program designed to assist credit-worthy rural businesses obtain needed credit for most any legal business purpose.

This program targets rural businesses and provides loans ranging from \$200,000 to \$5 million, with an average size of approximately \$3 million. Eligible businesses include businesses with facilities located in rural areas that save or create jobs. Most types of businesses are eligible, including those engaged in manufacturing, wholesale, retail, and service industries.

Eligible Entities

Eligible entities include partnerships, individuals, cooperatives, for-profit and nonprofit corporations, including publicly-traded companies, tribal groups, or public bodies. Any size business may be eligible but certain industries may be restricted. Eligible entities must be located in an eligible area as defined as any area other than a city or town with a population of greater than 50,000 inhabitants and the urbanized area of that city or town. The borrower's headquarters may be based within a larger city as long as the project is located in an eligible rural area.

Eligible Uses

Loan funds may include, but are not limited to:

- Business conversion, enlargement, repair, modernization or development.
- The purchase and development of land, easements, rights-of-way, buildings or facilities.
- The purchase of equipment, leasehold improvements, machinery, supplies or inventory.
- Debt refinancing when refinancing improves cash flow and creates jobs.
- Business and industrial acquisitions when the loan will maintain business operations and create or save jobs.

Ineligible Uses

Guaranteed loan funds MAY NOT be used for:

- Lines of credit
- Owner-occupied housing
- Golf courses
- Racetracks or gambling facilities
- Churches, church-controlled organizations or charitable organizations
- Fraternal organizations
- Agricultural production with certain exceptions



More information and answers to frequently asked questions about the USDA's Rural Development Business and Industry Loan Guarantee Program can be found [here](#), [here](#), and [here](#). Application forms can be accessed [here](#).