

# RURAL DEVELOPMENT LOAN PROGRAM

**Description:** In participation with the Rural Development Administration’s Intermediary Relending Program, the Illinois Finance Authority will finance business facilities and community development located in rural communities with populations of less than 25,000. Loan proceeds may be used to finance the purchase of land, construction or renovation of an industrial or commercial building, construction or improvement of infrastructure or purchase of machinery and equipment.

- Benefits:** Benefits of the program include:
- Finance up to 75% of project cost with bank lending in the project of 25% – maximum loan amount of \$250,000
  - Fixed interest rate over term of the loan set at 50 basis points below WSJ (Wall Street Journal) prime at date of closing (*minimum interest rate no lower than 2% and maximum interest rate no higher than 6%*)
  - Mid-term financing – terms up to ten (10) years for real estate transactions (*shorter term matching asset life on equipment financing*)

**Eligibility:** Applicant must demonstrate the ability to repay the loan and create/ retain jobs in the community.

**Collateral:** Real estate securing the loan is valued at 80% of appraised value and equipment is valued at 50% to 70% of cost (*50% discount factor applied to single-purpose, specialized equipment*)

**Fee:** A non-refundable application fee of \$100 is due when the application is submitted and a \$400 loan closing fee is payable to IFA at the time of closing. In most cases, applications can be reviewed by staff and considered by the Board of Directors within 45 days of submission.

- Contact:** For additional information, contact:
- Lorrie Karcher at the Mt. Vernon IFA office at (618) 244-2403  
[lkarcher@il-fa.com](mailto:lkarcher@il-fa.com)
  - An application form may be downloaded from the IFA web site:  
[www.il-fa.com](http://www.il-fa.com)

*Illinois Finance Authority is an equal credit opportunity lender.*

Offices of the Illinois Finance Authority

Chicago	180 N. Stetson Ave, #2555, Chicago, IL 60601	312.651.1300	312.651.1350 fax
Mt. Vernon	2929 Broadway, Suite 7B, Mt. Vernon, IL 62864	618.244.2424	618.244.2433 fax
Springfield	500 E. Monroe Street, 3 <sup>rd</sup> Floor, Springfield, IL 62701	217.782.5792	217.782.3989 fax