

## THE ILLINOIS FINANCE AUTHORITY: providing the lending tools you need to serve farmers and agribusinesses

### Why IFA?

The Illinois Finance Authority provides expert, hands-on support to help Ag businesses get the capital they need for growth. We have the flexibility to work with farmers to make deals happen. And, we bring the market expertise to match the right solution to your client's business. [See other side for program and product details.](#)

### IFA is here to help Illinois farmers and agribusinesses grow.

Whether your clients are:

- Beginning farmers or long-time tenants making their first land purchase
- Experienced farmers seeking to diversify with a new enterprise
- Young farmers entering the family business
- Established farms seeking to expand, using the best source for capital
- Farms or agribusinesses seeking to take advantage of market conditions and consolidate or restructure debt

### IFA is the partner who makes your job easier:

- Reduces bank risk
- Offers flexible terms
- Provides competitive interest rates
- Has minimal eligibility requirements
- Invites repeat borrowers; can also use more than one program at a time

All of this, plus the ease of a single point of contact from application through approval.

### How can we help serve customers?

#### Meet the IFA Ag lending team

We're built on a history of service to Illinois bankers, with the knowledge base to help lenders find the best financing solutions for your clients. And we're at your side to continue to service our banking partners for the lifetime of the loan.

#### Mt. Vernon: Lorrie Karcher, Program Administrator

*Credentials:* Lorrie's 20 years in Southern Illinois banking covered all the bases, from teller to loan operations, branch manager to vice president. This experienced partner gets deals done.

*How she can help:* Lorrie knows how to navigate red tape, documentation and details that can stall a deal. She helps with applications, request processing and ongoing support for all IFA financing.

*Talk to Lorrie about:* how your lending institution can participate in IFA Ag programs, specifically Beginning Farmer Bonds.

*Phone:* 618-244-2424 Ext 1500

*Email:* [lkarcher@il-fa.com](mailto:lkarcher@il-fa.com)

### IFA: proud to partner with lenders throughout Illinois

#### *Alpine Bank & Trust, Northern Illinois*

*Carl Dumoulin, Vice President:* "The IFA Ag team knows how banks operate and cater not only to our customers, but to the banks as well. In this extremely competitive banking environment the more tools you have at your disposal, the better."

#### *People's State Bank, Newton*

*Brian Bohnoff, Vice President:* "IFA is good for the bank, helps us keep our existing customers happy and lets us pick up new customers

#### *Bank of Gibson City*

*Tracy Epps, President:* IFA's guarantee program is pretty seamless and easy. You don't have to jump through hoops only to find you're not eligible. It helps us service larger customers who might otherwise go elsewhere for the loan."

#### *First National Bank, Litchfield*

*Ken Elmore, President:* It's professionally fulfilling to see how

IFA helps farmers. We pass on interest savings, which helps their cash flow and mitigates their risk as well as my bank risk.

See inside for details on our programs and products.

# Making the match

IFA programs are targeted to address the most pressing capital needs in Illinois agribusiness. Use this table to find the program that meets your clients' needs, determine basic eligibility, then let us know how we can make the deal happen. *Note that all programs require individual residency and project location in Illinois. All programs require adequate cash flow and collateral based on IFA underwriting standards.*

## By the numbers

Since IFA launch in 2004: 717 Ag businesses supported, \$726 million in approved financing, 82 Illinois counties served—and growing!

Program	Beginning Farmer Bonds	Working Capital Guarantee	Agri Debt Guarantee	Agri Industry Guarantee	Specialized Livestock Guarantee	Young Farmer Guarantee	Participation Loans
What it's for	Farm land purchases, generally for the first time.	<ul style="list-style-type: none"> <li>Finance annual input costs for farmers and producers</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate and restructure existing debt only</li> <li>Increase working capital</li> <li>Improve overall financial structure</li> <li>Used for refinancing existing debts only</li> </ul>	<ul style="list-style-type: none"> <li>Promote value-added processing of commodities</li> <li>Provide credit enhancement for larger agribusiness loans</li> <li>Eligible loans—“commercial” credits related to Ag industry</li> </ul>	<ul style="list-style-type: none"> <li>Increase access to capital for livestock producers to purchase, upgrade, expand or improve their business.</li> <li>All livestock is eligible</li> </ul>	<ul style="list-style-type: none"> <li>Provide young farmers access capital to finance purchases with favorable terms</li> </ul>	<ul style="list-style-type: none"> <li>Reduce bank's risk in lending to industry, farmers and agribusinesses</li> <li>Banks assist high-quality borrowers with interest rate savings</li> <li>Used in acquiring fixed assets</li> </ul>
How it helps	Reduced interest rate for borrower through tax exemption given to lender	Increased access to line-of-credit financing; 85% loan guarantee	Reduced rates for borrower; 85% loan guarantee	85% loan guarantee	85% loan guarantee	85% loan guarantee	Reduced risk for lender, reduced rate for borrower
Who it helps	<ul style="list-style-type: none"> <li>Low-net-worth farmers (at least 18 years old) who are sole proprietors</li> <li>Net worth under \$500,000</li> <li>Previous land ownership limitations</li> </ul>	<ul style="list-style-type: none"> <li>Targets much-needed operating loans to manage increasing costs</li> <li>Helps farmers stay with one lender through state guarantees that offset lender risk</li> <li>Debt-to-asset ratio greater than 40%</li> </ul>	<ul style="list-style-type: none"> <li>Farmers and producers who experienced a poor crop year of suffered business losses</li> <li>Debt-to-asset ratio between 40-65%</li> </ul>	<ul style="list-style-type: none"> <li>Illinois agribusinesses purchasing capital assets</li> <li>Agribusinesses wishing to start, grow, and expand</li> </ul>	<ul style="list-style-type: none"> <li>Livestock farmers and corporations</li> <li>Debt-to-asset ratio under 70%</li> </ul>	<ul style="list-style-type: none"> <li>Young farmers wishing to purchased fixed assets</li> <li>Net worth greater than \$10,000</li> <li>Debt-to-asset ratio of 40-70% after purchase</li> </ul>	<ul style="list-style-type: none"> <li>Farmers, agribusinesses, and industrial businesses</li> </ul>
IFA services included	Participates in closing and provides bond documents. Provides market trends and pricing	IFA staff coordinates with other government programs to maximize resources for the borrower.	Provides advice on loan structure and no-obligation review prior to application	Provides advice on loan structure and no-obligation review prior to application	Provides advice on loan structure and no-obligation review prior to application	Provides advice on loan structure and no-obligation review prior to application	No-obligation review prior to application. No charge for loan amendments
Loan amount	\$575,400 maximum in 2022	\$250,000 maximum	\$500,000 maximum	\$1,000,000 maximum	\$1,000,000 maximum	\$500,000 maximum	The lesser of \$500,000 a) 25% of a Total Project, b) 50% of a specific loan within the Total Project, c) or \$500,000.
Term	Up to 30 years	1 year with extensions up to 3 years	Up to 30 years	Up to 15 years	Up to 15 years	Up to 15 years	IFA term up to 10 years; Fixed rate up to 5 years; 1% below the bank's rate
Application fee	<b>\$100</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$200</b>
Closing fees	1.50%*	1.25% (1.00/25) **	1% (75/25)	1% (75/25)	1.25% (1.00/25)	1.25% (1.00/25)	N/A

\*All loan guarantees allow the lender to charge a .25% closing fee, but this is not required to utilize programs. \*\*No annual servicing fee