



United States  
Department of  
Agriculture



# Rural Energy for America Program Loan Guarantees

*Loan guarantees for the purpose of purchasing and installing renewable energy systems and energy efficiency improvements in rural areas*

**ELIGIBLE APPLICANTS:**

AG PRODUCERS  
SMALL BUSINESSES

MAX LOAN: \$25,000,000  
MIN LOAN: \$5,000

**LOAN GUARANTEE LIMITS**

85%-LOANS \$600,000 OR LESS  
80%-LOANS \$601,000-\$5MM  
70%-LOANS OVER \$5MM-\$10MM  
60%-LOANS OVER \$10MM AND UP TO \$25MM

**Contact USDA  
Rural Development**

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Explore USDA Rural Development's REAP Loan Guarantee Program to help clients **reduce energy consumption** via energy efficiency improvement upgrades. Participate in financing renewable energy systems such as **solar, wind, geothermal, flexible fuel dispensers, and methane digesters.**

*BENEFITS TO LENDERS*

- Ability to offer higher loan amounts, lower interest rates, and longer repayment terms (Interest rate is set by lender)
- Guaranteed portion does not count against legal lending limits
- Increase earnings through participation in the secondary market

*MAXIMUM REPAYMENT TERMS*

- Machinery and Equipment— 20 years or useful life
- Real Estate— 30 years
- Term Working Capital—7 years

*FEES AND COSTS*

- One time guarantee fee of 1%
- Annual renewal fee of .25%

*EQUITY/COLLATERAL*

- 15% cash equity injection on loans \$600,000 or less
- 25% cash equity injection on loans more than \$600,000
- Collateral to meet a 1:1 ratio when discounted

Visit: [http://www.rurdev.usda.gov/BCP\\_Reap.html](http://www.rurdev.usda.gov/BCP_Reap.html)



*"USDA Rural Development is an Equal Opportunity provider, employer and lender."*