



December 13, 2012

FOR IMMEDIATE RELEASE

It's Time to Apply for a USDA B & I Loan Guarantee

Updates on the USDA Business & Industry Loan Guarantee Program

Now is the time to start planning for financing capital equipment and construction costs for your projects with funding available through the USDA Rural Development's Business & Industry (B & I) Guaranteed Loan Program. The USDA B & I Program helps rural businesses by guaranteeing loans of commercial lenders who might not otherwise extend credit. The B & I guarantee is an incentive to spur business lending is also a great tool for financing projects in rural areas.

Westar Trade Resources has completed numerous applications for the B & I Loan Program by assisting our clients with preparing loan packages and feasibility studies. Westar has developed an excellent reputation with clients, lenders, and many state USDA offices, as well as the national USDA office in charge of the B & I loan process.

The application process involves four stages:

1. Preparing an Feasibility Study by a third-party independent consultant;
2. Preparing the loan guarantee package, including the Environmental Assessment and Technical Report if a Renewable Energy project;
3. Locating a lender and getting a conditional commitment (as well as a loan analysis, etc.); and
4. Submitting the application to USDA and getting approval

"Each of these steps can take 30-90 days or more," commented Westar Founder and CEO, Cindy Thyfault. "Because of this timeline, it is essential that a potential applicant understand the process, the time involved, and the cost of moving through each of the stages to get to the financial close so that they can move forward with implementing the financing and completing the project. We understand the process, and we assist our clients to move through the process quickly and smoothly, so that projects can be approved in a timely manner, and the project is structured with sound, sustainable financial considerations that mitigate project risk."

Westar's website now has a newly expanded section for the [USDA B & I Loan Guarantee Program](#). The section contains all relevant program information in addition to a [quick guide and overview of the B & I loan process](#). Additional information on [Feasibility Study](#), [Technical Report](#), and [Environmental Assessment](#) requirements is also provided to help you better understand the B & I program and to determine whether your project is [eligible](#).

Westar has actively followed policies impacting the B & I program and has several key pieces of information to share regarding upcoming changes.

The USDA is currently operating under a continuing resolution until the end of March. There are some changes from prior years which went into effect in 2011, including increases in the USDA fee structures. The new rates include a one-time 3% guarantee fee as well as a 0.5% annual renewal fee. Most importantly, there are forthcoming revisions of the program regulations to be published next summer which could bring new changes to the way the B & I program has operated in the past.

Another timing issue for consideration is the USDA's adoption of the 2010 Census, which could have a serious impact on a project's location eligibility. Currently, the USDA determines site eligibility based on the 2000 Census. At the end of March 31st, 2013, the USDA will adopt the 2010 Census.

According to Daniel Torres, Business & Industry Programs Director for the State of Texas, there are two towns in Texas-Conroe and New Braunfels-that will be directly affected by new policies. Other towns across the U.S. could also be affected as a result of changes in population density and the "MSA effect." Additionally, special waivers given to economically distressed areas such as the Lower Rio Grande region will also expire on March 31st 2013. It is important to contact your local USDA office to determine whether your project site might be affected by these changes. Any areas under a special waiver should have a complete application submitted to local state offices prior to March 31st to ensure eligibility under current guidelines and that loan guarantee awards are obligated by the end of the fiscal year, September 30, 2013.

Mr. Torres also stressed that the best time to apply is now through March 31st as the application may be processed quicker and will be less competitive. Between now and June there is an allocation available; however, the funding typically runs out in early summer. If an applicant applies after the allocation has been appropriated, the applicant will have to wait until the following year's allocation is released.

Westar can work with both lenders and applicants to have successful, efficient applications and loan closings. Westar is a strong believer in the B & I Program and the benefits it provides to rural areas including job creation and economic development. We look forward to lender referrals and helping our current and new clients to prepare successful applications.

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For a free, no-obligation consultation, contact Westar at 214-320-0900 or cindy@westartrade.com.