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B&I Loans Help Rural Communities

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You don't have to live off the map to qualify for a U.S. Department of Agriculture Rural Development loan in New Mexico.

Most of the state is considered rural for the purposes of this economic development program, which can back loans as high as \$25 million to qualifying ventures in towns with 50,000 or fewer people. That excludes only Albuquerque, Rio Rancho, Bernalillo, Las Cruces and Santa Fe, while towns close to these metro areas easily qualify.

Western Commerce Bank has participated in the Business and Industry Guaranteed Loan Program for 20 years and has consistently led in lending money to rural businesses through this program. We have loaned more than \$50 million through the program, which we consider a critical tool for economic development in rural America.

Fast-track Funding

Well-prepared loan proposals win quick approval. Of the USDA loans that Western Commerce processed last year, it never took more than two weeks for a loan to be OK'd, and funding was available within 60 days.

Larger loan amounts or complicated loans can take longer because approval must come from Washington, D.C. But most packages get a local nod from the Albuquerque USDA Rural Development office.

Banks like ours are eager to loan money through this program, because the federal government assumes up to 80 percent of the risk. This allows us to put more money into the hands of borrowers who might not otherwise have qualified for a large loan. And it keeps the program's allocated money in New Mexico — funding business and community projects in our state — rather than being claimed by other states through reallocation.

A Program with Purpose

The Business and Industry Guaranteed Loan Program exists to develop or finance business, industry and employment in rural communities and improve the economic and environmental climates of those lower-population areas. Program managers work with local banks such as

Western Commerce to back loans for projects and enterprises that bring lasting community benefits, including jobs and the development of natural resources and renewable energy sources.

Program money can be used for business and industrial acquisitions to keep a business from closing or to help it with conversion, expansion, modernization or the purchase and development of land, easements, rights-of-way, buildings or facilities. It can be used to buy equipment, leasehold improvements, machinery, supplies or inventory.

Borrowers can be cooperative organizations, corporations, federally recognized tribes, partnerships, individuals or other legal entities — for-profit and nonprofit with the exception of charitable institutions. Individual borrowers and 51 percent of the owners of corporations or other private organizations seeking funds must be U.S. citizens or legally recognized permanent residents.

Western Commerce and other lenders also lend money in cooperation with other federal programs. Some of those government-backed loans have terms and conditions that mirror those of USDA loans, but the caps and guarantees are usually lower.

For more information about loan terms and interest rates, contact the USDA Rural Development Albuquerque office at 505-761-4953.

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