

# Timber Production and Expansion Guaranteed Loan Program

What does this program do?

**The Timber Production and Expansion Guaranteed Loan Program (TPEP) provides financial support to qualified lenders whose loan applicants want to establish, reopen, expand, or improve a sawmill or other wood processing facility that processes ecosystem restoration byproducts from USDA Forest Service National Forest System lands, along with Indian forest and rangelands.**

Who can apply?

**Eligible individuals, organizations, federally recognized Tribes, or businesses engaged – or proposing to engage – in establishing, reopening, retrofitting, expanding, or improving sawmills or other wood processing facilities.**



QR code: TPEP webpage

## **What types of lenders are eligible to use the loan guarantee?**

To participate in this program, lenders must first be approved by USDA Rural Development using criteria from the OneRD Guaranteed Loan Initiative (information available at this link: [go.usa.gov/xe8QV](https://go.usa.gov/xe8QV)). Examples of approved lenders include:

- Federal and state-chartered banks
- Savings and loan associations
- Farm Credit Banks with direct lending authority
- Credit Unions

Community development loan funds and other nonregulated lending institutions approved under the OneRD regulation also can participate. You will find a video explaining the approval process for nonregulated lending institutions at this link: [tinyurl.com/RD-lenders](https://tinyurl.com/RD-lenders).

## **Are there geographic eligibility restrictions?**

- Yes. You must initially use ecosystem restoration byproducts from federal or Tribal lands considered high- or very-high priority for ecological restoration involving vegetation removal.
- Your proposed or already-established wood processing facility must be located within 250 miles of the designated high- or very-high priority area from which you will draw your byproducts.

- You also must source a significant amount of raw material from federal or Tribal lands.

High- and very-high priority-designated lands can be found using the TPEP Priority Areas dashboard at this link: [tinyurl.com/TPEP-lands](https://tinyurl.com/TPEP-lands). A collaboration between USDA Forest Service and USDA Rural Development, the dashboard helps financial institutions assess loan applications based on already-identified ecological restoration work needs.

The identified areas focus on three priorities:

- Forest stocking levels (which measure the relative density of a stand of trees and determine how well the stand is using available growth space)
- Wildfire hazard potential
- Percentage of treed areas at risk for insects and diseases

The dashboard is searchable by state, county, and address. For additional information, see the “About the Data” section in the left column of the dashboard.

## **How can loan funds be used?**

Guaranteed loan funds can be used to establish, reopen, expand, or improve a sawmill or other wood processing facility that uses ecosystem restoration byproducts from USDA Forest Service National Forest System lands, along with Indian forest and rangelands.

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## How can loan funds NOT be used?

Guaranteed loan funds cannot be used for:

- Lines of credit
- Ag production – including timber production
- Payment or distribution to a beneficiary of a borrower, or to an individual, organization, or business that has an ownership interest in the borrower

## How do we get started?

- Interested borrowers can work with their own lenders.
- We will accept applications from lenders until funds are spent.

Lenders can find additional information regarding underwriting and loan terms at this link: [tinyurl.com/1RD-Lender](https://tinyurl.com/1RD-Lender) – PDF.

## Who can answer questions?

For help, you can email us at: [TPEP@usda.gov](mailto:TPEP@usda.gov).

## What governs this program?

TPEP is authorized by Section 40804(d)3 – Ecosystem Restoration – of the Bipartisan Infrastructure Law (Public Law 117-58 – available at this link: [tinyurl.com/RD-PL117-58](https://tinyurl.com/RD-PL117-58) - PDF).

The program is administered under 7 CFR Part 5001 (available at this link: [tinyurl.com/7CFR-5001](https://tinyurl.com/7CFR-5001)).

An interagency agreement between USDA Forest Service and USDA Rural Development allows Rural Development to implement TPEP in the interest of the Forest Service.

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**NOTE: Because information changes, always consult official program instructions or contact your local USDA Rural Development office for help. A list is available at this link: [go.usa.gov/xJHPE](https://go.usa.gov/xJHPE). You will find additional resources, forms, and program information at [rd.usda.gov](https://rd.usda.gov). USDA is an equal opportunity provider, employer, and lender.**

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