



News Release

Contact: Miguel Ramírez 787-398-6226,

USDA to Provide \$1 Billion in Loan Guarantees for Rural Businesses and Ag Producers

San Juan, Puerto Rico, May 21, 2020 – U.S. Secretary of Agriculture Sonny Perdue today announced that the Department is making available up to \$1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. Additionally, agricultural producers that are not eligible for USDA Farm Service Agency loans may receive funding under USDA [Business & Industry \(B&I\) CARES Act Program](#) provisions included in the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#).

“Under the leadership of President, USDA is committed to be a strong partner to rural businesses and agricultural producers and being a strong supporter of all aspects of the rural economy,” Secretary Perdue said. “Ensuring more rural agricultural producers are able to gain access to much-needed capital in these unprecedented times is a cornerstone of that commitment.”

According to Puerto Rico State Director, Josué E. Rivera, “Our Business Program Staff is working virtually to continue delivering our services and supporting our rural customers”. This program is very important for our island rural businesses & farmers to overcome the impacts of not only the hurricanes, earthquakes but now the COVID-19.

In addition to expanding eligibility to certain agricultural producers, the changes Secretary Perdue announced today allow USDA to:

- Provide 90 percent guarantees on B&I CARES Act Program loans;
- Set the application and guarantee fee at two percent of the loan;
- Accept appraisals completed within two years of the loan application date;
- Not require discounting of collateral for working capital loans, and
- Extend the maximum term for working capital loans to 10 years.

B&I CARES Act Program loans must be used as working capital to prevent, prepare for or respond to the effects of the coronavirus pandemic. The loans may be used only to support rural businesses, including agricultural producers, that were in operation on Feb. 15, 2020.

USDA intends to consider applications in the order they are received. However, the Department may assign priority points to projects if the demand for funds exceeds availability.

USDA announced the expanded B&I CARES Act Program authorities in a notice published in the May 21 [Federal Register](#). Program funding expires Sept. 30, 2021.

Eligible applicants may contact their local USDA Rural Development [State Office](#) in the state where the project is located.

USDA is developing application guides for lenders and borrowers on the B&I CARES Act Program. The Agency also will host two webinars to provide an overview of program requirements.

To register for the webinar on Wednesday, May 27 at 3:30 p.m. Eastern Time, visit https://globalmeet.webcasts.com/starthere.jsp?ei=1322642&tp_key=7a700acddd.

To register for the webinar on Wednesday, June 3 at 2:00 p.m. Eastern Time, visit https://globalmeetwebinar.webcasts.com/starthere.jsp?ei=1324161&tp_key=6067315417.

USDA Rural Development provides loans and grants to help expand economic opportunities and create jobs in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural areas. For more information, visit www.rd.usda.gov.

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