



AG INVEST



The **Ag Invest** program makes loans more affordable for farmers and agricultural professionals to plant and harvest crops, explore opportunities in agribusiness and rebound from difficult economic times.

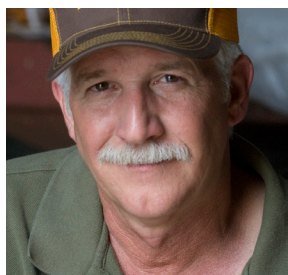
After a participating lender approves your loan or line of credit, the **Ag Invest** program works with your lender to reduce your interest rate, lowering the overall cost to enhance your farm or alternative agriculture business.

I need access to capital for regular operating expenses.

You may qualify for the **Annual Ag** line of credit, limit one per calendar year not to exceed \$300,000 per farmer or \$600,000 per farm operation.

I need access to capital for a major purchase or for my agribusiness.

You may qualify for the **Long-Term Ag** loan, limit one per calendar year not to exceed \$200,000 per borrower. Qualified expenses include equipment, construction, livestock and speciality crops and approved agribusinesses include vineyards, fish farms and “pick-your-own” orchards. Loan term is two years with a possible three-year extension and five year extension for grape and vineyard production.



Ag Invest in action:

*Roger Cooper is a sixth generation Williamsville farmer who started using the annual loan program in 1992. He uses a revolving line of credit to cover the input costs on his share of corn and soybean production. “The **Ag Invest** funds reduce my costs at a time when interest rates and input costs are increasing,” Cooper said. “Anything you can do to reduce costs while expenses are going up is a good thing.”*



AG INVEST PROGRAM

Frequently Asked Questions

The **Ag Invest** program offers affordable financing to Illinois farmers and agriculture professionals through two options: **Annual Ag** and **Long-Term Ag**.

How does the program work?

For each approved project, the Treasurer's Office deposits funds at a discounted rate into an eligible financial institution thereby lowering the interest rate. This enables borrowers to secure below-market rates for either one year or up to the first five years of the loan and additional two years for grape and vineyard production.

What is Annual Ag?

Annual Ag is a one-year program that assists farmers with typical operating expenses and annual start-up costs associated with seed, fertilizer, plants, crop insurance and other expenses.

How much can I get through the Annual Ag program?

There is a limit of one loan per calendar year not to exceed \$300,000 per farmer and \$600,000 per farm operation.

What is Long-Term Ag?

Long-Term Ag is designed to help with capital expenditures such as machinery, construction and speciality crops.

How much money can I get through Long-Term Ag?

The limit for Long-Term Ag is \$200,000 and only one loan may be approved per calendar year.

When do I have to pay back a Long-Term Ag loan?

The initial rate is guaranteed for two years. If a compliance check is successfully passed at the end of two years, the loan may be extended for another three years and additional two years for grape and vineyard production.

What are the criteria for Long-Term Ag?

The Treasurer's Office evaluates each application based on a variety of factors, including the availability of state funds. Other considerations include:

- expected savings
- down payment or trade as part of transaction
- percentage of income from farm operations

What is the interest rate?

The maximum interest rate on the loan may not exceed the associated deposit rate by more than 3.5% during the term of the Treasurer's participation. Current deposit rates are available at <http://www.treasurer.il.gov/finances/daily-rates.aspx>.

Does the program guarantee the loan?

The program does not provide a loan guarantee or any type of credit enhancement to the borrower, nor does it have any impact on the financial institution's normal credit requirements.

Which lenders are eligible to participate? What if my financial institution is unfamiliar with the program?

More than 400 financial institutions are eligible to participate in the Treasurer's Invest in Illinois programs. Contact the Treasurer's Office or visit www.treasurer.il.gov for a complete list. If your financial institution does not participate or has questions about the program, please refer its loan officer to the Treasurer's Office.

How do I apply?

1. Contact the Treasurer's Office for an overview and list of eligible lenders.
2. Apply for and receive a loan from an eligible lender.
3. Apply for an **Ag Invest** interest rate reduction. A fill-in pdf application is available online.
4. If approved, the Treasurer's Office deposits state funds at your lender. The lender then lowers your interest rate.