



# Ag Invest

Alexandria Cassens - Byron, IL

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**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 agricultural 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 \$400,000 per farmer or \$800,000 per farm operation.

**I need access to capital for regular operating expenses.**

You may qualify for the Long-Term Ag loan, multiple loans per calendar year up to \$300,000 per borrower. Qualified expenses include machinery, construction/renovation, transportation, technology, processing, milling, livestock, specialty crops and land acquisition up to \$400,000. Value Added Ag projects may include, milling, grain processing, Ag truck farming, tile business, store front, and transition cost. The loan term is three years with a possible two year extension for expenses up to \$300,000. Other terms are available for expenses greater than \$300,000. Value Added Ag may extend out a total of nine years.



**Michael W. Frerichs**

ILLINOIS STATE TREASURER

For further information or assistance, please contact the Illinois State Treasurer's Office by phone: **(866) 458-7327** or email: **[aginvest@illinoistreasurer.gov](mailto:aginvest@illinoistreasurer.gov)**

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# Ag Invest

## 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 & Value Added 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 possible nine years of the loan.

### What is Annual Ag?

Annual Ag is a one-year program that assists farmers with expenses associated with seed, fertilizer, salaries, fees, inventory, transportation cost, processing, milling, transitioning, crop insurance and other expenses.

### How much can I borrow through the Annual Ag program?

There is a limit of one loan per calendar year not to exceed \$400,000 per farmer and \$800,000 per farm operation.

### What is Long-Term Ag?

Long-Term Ag/Value Added Ag is designed to help with capital expenditures such as machinery, construction/renovation, transportation, technology, processing, milling, livestock, specialty crops, land acquisition up to \$400,000, and other cost.

### How much money can I borrow through Long-Term Ag?

The limit for Long Term Ag is multiple loans per calendar year up to \$300,000. Projects greater than \$300,000 are considered on a case-by-case basis.

## How do I apply?

1. Contact the treasurer's office for an overview and list of eligible lenders.
2. Contact an eligible lender to start the application process.
3. Apply for an Ag Invest interest rate reduction with your eligible lender. Application is available online at [illinoistreasurer.gov](http://illinoistreasurer.gov).
4. The treasurer's office deposits state funds at your lender. The lender then lowers your interest rate upon approval.

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

The initial rate is guaranteed for three years. If a compliance check is successfully passed at the end of three years, the loan may be extended for another two years and additional two years for grape and vineyard production. Other loans terms available for expenses greater than \$300,000. Value Added projects can be extended to 3+3+3 for a total of nine years.

The maximum interest rate on the loan may not exceed the associated deposit rate by more than 3.75 percent during the term of the treasurer's participation. Current deposit rates are available at [illinoistreasurer.gov](http://illinoistreasurer.gov).

### Does the program guarantee the loan?

The program does not provide a 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 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.



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