

**EXECUTIVE BRANCH**  
**(20 ILCS 3501/) Illinois Finance Authority Act.**

(20 ILCS 3501/Art. 830 heading)

ARTICLE 830  
AGRICULTURAL ASSISTANCE

(20 ILCS 3501/830-5)

Sec. 830-5. The Authority shall have the following powers:

(a) To loan its funds to one or more persons to be used by such persons to pay the costs of acquiring, constructing, reconstructing or improving Agricultural Facilities, soil or water conservation projects or watershed areas, such loans to be on such terms and conditions, and for such period of time, and secured or evidenced by such mortgages, deeds of trust, notes, debentures, bonds or other secured or unsecured evidences of indebtedness of such persons as the Board may determine;

(b) To loan its funds to any agribusiness which operates or will operate a facility located in Illinois for those purposes permitted by rules and regulations issued pursuant to the Internal Revenue Code of 1954, as amended, relating to the use of moneys loaned from the proceeds from the issuance of industrial development revenue bonds; such loans shall be on terms and conditions, and for periods of time, and secured or evidenced by mortgages, deeds of trust, notes, debentures, bonds or other secured or unsecured evidences of indebtedness of such agribusiness as the Board may require;

(c) To purchase, or to make commitments to purchase, from lenders notes, debentures, bonds or other evidences of indebtedness secured by mortgages, deeds of trust, or security devices, or unsecured, as the Authority may determine, or portions thereof or participations therein, which notes, bonds, or other evidences of indebtedness shall have been or will be executed by the obligors thereon to obtain funds with which to acquire, by purchase, construction, or otherwise, reconstruct or improve Agricultural Facilities;

(d) To contract with lenders or others for the origination of or the servicing of the loans made by the Authority pursuant to this Section or represented by the notes, bonds, or other evidences of indebtedness which it has purchased pursuant to this Section; provided that such servicing fees shall not exceed one percent per annum of the principal amount outstanding owed to the Authority; and

(e) To enter into a State Guarantee with a lender or a person holding a note and to sell or issue such State Guarantees, bonds or evidences of indebtedness in a primary or a secondary market and to make payment on a State Guarantee from available sources, including but not limited to, the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund created under Section 830-30 and Section 830-35, respectively, and the Industrial Project Insurance Fund created under Article 805 of this Act.

(Source: P.A. 96-897, eff. 5-24-10.)

(20 ILCS 3501/830-10)

Sec. 830-10. (a) The Authority may establish a Farm Debt Relief Program to help provide eligible Illinois farmers with State assistance in meeting their farming-related debts.

(b) To be eligible for the program, a person must (1) be actively engaged in farming in this State, (2) have farming-related debts in an amount equal to at least 55% of the person's total assets, and (3) demonstrate that he can secure credit from a conventional lender for the 1986 crop year.

(c) An eligible person may apply to the Authority, in such manner as the Authority may specify, for a one-time farm debt relief payment of up to 2% of the person's outstanding farming-related debt. If the Authority determines that the applicant is eligible for a payment under this Section, it may then approve a payment to the applicant. Such payment shall consist of a payment made by the Authority directly to one or more of the applicant's farming-related creditors, to be applied to the reduction of the applicant's farming-related debt. The applicant shall be entitled to select the creditor or creditors to receive the payment, unless the applicant is subject to the jurisdiction of a bankruptcy court, in which case the selection of the court shall control.

(d) Payments shall be made from the Farm Emergency Assistance Fund, which is hereby established as a special fund in the State treasury, from funds appropriated to the Authority for that purpose. No grant may exceed the lesser of (1) 2% of the applicant's outstanding farm-related debt, or (2) \$2000. Not more than one grant under this Section may be made to any one person, or to any one household, or to any single farming operation.

(e) Payments to applicants having farming-related debts in an amount equal to at least 55% of the person's total assets, but less than 70%, shall be repaid by the applicant to the Authority for deposit into the Farm Emergency Assistance Fund within five years from the date the payment was made. Repayment shall be made in equal installments during the five-year period with no additional interest charge and may be prepaid in whole or in part at any time. Applicants having farming-related debts in an amount equal to at least 70% of the person's total assets shall not be required to make any repayment. Assets shall include, but not be limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets. Debts shall include, but not be limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(Source: P.A. 98-90, eff. 7-15-13.)

(20 ILCS 3501/830-15)

Sec. 830-15. Interest-buy-back program.

(a) The Authority may establish an interest-buy-back program to subsidize the interest cost on certain loans to Illinois farmers.

(b) To be eligible an applicant must (i) be a resident of Illinois; (ii) be a principal operator of a farm or land; (iii) derive at least 50% of annual gross income from farming; and (iv) have a net worth of at least \$10,000. The Authority shall establish minimum and maximum financial requirements, maximum payment amounts, starting and ending dates for the program, and other criteria.

(c) Lenders may apply on behalf of eligible applicants on forms provided by the Authority. Lenders may submit requests for payment on forms provided by the Authority. Lenders and applicants shall be responsible for any fees or

charges the Authority may require.

(d) The Authority shall make payments to lenders from available appropriations from the General Revenue Fund.

(Source: P.A. 98-90, eff. 7-15-13.)

(20 ILCS 3501/830-20)

Sec. 830-20. The Authority may not pass a resolution authorizing the issuance of any notes or bonds in excess of \$450,000 for any one agricultural real estate borrower. In any calendar year after 2007, the \$450,000 amount shall be increased by an amount equal to such dollar amount multiplied by the inflation percentage determined under Section 305(c) of the federal Consolidated Farm and Rural Development Act (7 U.S.C. 1925) as of June 18, 2008. Any increase determined under the preceding sentence shall be rounded to the nearest multiple of \$100. No proceeds from any bonds issued by the Authority shall be loaned to any natural person who has a net worth in excess of \$500,000 for the purchase of new depreciable agricultural property or to any agribusiness that, including all affiliates and subsidiaries, has more than 100 employees and a gross income exceeding \$2,000,000 for the preceding calendar year; provided, however, that the employee size and gross income limitations shall not apply to any loans to agribusinesses for research and development purposes, and provided further that the Authority shall retain the power to waive such limitations for any agribusiness that, at the time of application, does not operate a facility within this State.

(Source: P.A. 96-531, eff. 8-14-09.)

(20 ILCS 3501/830-25)

Sec. 830-25. Bonded indebtedness limitation. The Authority shall not have outstanding at any one time State Guarantees under Section 830-30 in an aggregate principal amount exceeding \$160,000,000. The Authority shall not have outstanding at any one time State Guarantees under Sections 830-35, 830-45 and 830-50 in an aggregate principal amount exceeding \$225,000,000. The Guarantees in this Section may be used to support Renewable Energy Projects as described in clauses (A) and (B) of subsection (b)(iii) of Section 825-65 of this Act.

(Source: P.A. 96-103, eff. 1-1-10.)

(20 ILCS 3501/830-30)

Sec. 830-30. State Guarantees for existing debt.

(a) The Authority is authorized to issue State Guarantees for farmers' existing debts held by a lender. For the purposes of this Section, a farmer shall be a resident of Illinois, who is a principal operator of a farm or land, at least 50% of whose annual gross income is derived from farming and whose debt to asset ratio shall not be less than 40%, except in those cases where the applicant has previously used the guarantee program there shall be no debt to asset ratio or income restriction. For the purposes of this Section, debt to asset ratio shall mean the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. The Authority shall establish the maximum permissible debt to asset ratio based on criteria established by the Authority. Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee

as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to bring the farmer's debt to a current status at the time the State Guarantee is provided and must also agree to charge a fixed or adjustable interest rate which the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan. Any State Guarantees provided under this Section (i) shall not exceed \$500,000 per farmer, (ii) shall be set up on a payment schedule not to exceed 30 years, and shall be no longer than 30 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be outstanding per farmer at any one time. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties. In those cases where the borrower has not previously used the guarantee program, the lender shall not call due any loan during the first 3 years for any reason except for lack of performance or insufficient collateral. The lender can review and withdraw or continue with the State Guarantee on an annual basis after the first 3 years of the loan, provided a 90-day notice, in writing, to all parties has been given.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State's portion of the Guarantee to be provided.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Agricultural Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Illinois Agricultural Loan Guarantee Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amount authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. The Authority is authorized to transfer to the Fund such amounts as are necessary to satisfy claims during the duration of the State Guarantee program to secure State Guarantees issued under this Section. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an

irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Agricultural Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. Within 30 days after November 15, 1985, the Authority may transfer up to \$7,000,000 from available appropriations into the Illinois Agricultural Loan Guarantee Fund for the purposes of this Act. Thereafter, the Authority may transfer additional amounts into the Illinois Agricultural Loan Guarantee Fund to secure guarantees for defaults as defaults occur. In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Agricultural Loan Guarantee Fund to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee Fund shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee Loan by the farmer to the guarantee holder. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee within 14 months of the time the State Guarantee is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate which the lender charges on the State Guarantee; provided, however, that the Authority may extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a farmer. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for farmers associated with selling a loan subject to a State Guarantee in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 830-30 with respect to the farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers and lenders to participate in the State guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/830-35)

Sec. 830-35. State Guarantees for loans to farmers and agribusiness;

eligibility.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to eligible farmers and agribusinesses for purposes set forth in this Section. For purposes of this Section, an eligible farmer shall be a resident of Illinois (i) who is principal operator of a farm or land, at least 50% of whose annual gross income is derived from farming, (ii) whose annual total sales of agricultural products, commodities, or livestock exceeds \$20,000, and (iii) whose net worth does not exceed \$500,000. An eligible agribusiness shall be that as defined in Section 801-10 of this Act. The Authority may approve applications by farmers and agribusinesses that promote diversification of the farm economy of this State through the growth and development of new crops or livestock not customarily grown or produced in this State or that emphasize a vertical integration of grain or livestock produced or raised in this State into a finished agricultural product for consumption or use. "New crops or livestock not customarily grown or produced in this State" shall not include corn, soybeans, wheat, swine, or beef or dairy cattle. "Vertical integration of grain or livestock produced or raised in this State" shall include any new or existing grain or livestock grown or produced in this State. Lenders shall apply for the State Guarantees on forms provided by the Authority, certify that the application and any other documents submitted are true and correct, and pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any other similar fees or charges as the Authority may require. The application shall at a minimum contain the farmer's or agribusiness' name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the lender must agree to charge an interest rate, which may vary, on the loan that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State Guarantee Loan can be converted to a fixed interest rate at any time during the term of the loan. Any State Guarantees provided under this Section (i) shall not exceed \$500,000 per farmer or an amount as determined by the Authority on a case-by-case basis for an agribusiness, (ii) shall not exceed a term of 15 years, and (iii) shall be subject to an annual review and renewal by the lender and the Authority; provided that only one such State Guarantee shall be made per farmer or agribusiness, except that additional State Guarantees may be made for purposes of expansion of projects financed in part by a previously issued State Guarantee. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties. The lender shall not call due any loan for any reason except for lack of performance, insufficient collateral, or maturity. A lender may review and withdraw or continue with a State Guarantee on an annual basis after the first 5 years following closing of the loan application if the loan contract provides for an interest rate that shall not vary. A lender shall not withdraw a State Guarantee if the loan contract provides for an interest rate that may vary, except for reasons set forth herein.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

- (i) A fee equal to 25 basis points on the loan is paid to the Authority on an annual basis by the lender.
- (ii) The application provides collateral acceptable to the Authority that is at least equal to the State's portion of the Guarantee to be provided.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is responsible for the first 15% of the outstanding principal of the note for which the State Guarantee has been applied.

(c) There is hereby created outside of the State treasury a special fund to be known as the Illinois Farmer and Agribusiness Loan Guarantee Fund. The State Treasurer shall be custodian of this Fund. Any amounts in the Fund not currently needed to meet the obligations of the Fund shall be invested as provided by law, and all interest earned from these investments shall be deposited into the Fund until the Fund reaches the maximum amounts authorized in this Act; thereafter, interest earned shall be deposited into the General Revenue Fund. After September 1, 1989, annual investment earnings equal to 1.5% of the Fund shall remain in the Fund to be used for the purposes established in Section 830-40 of this Act. The Authority is authorized to transfer such amounts as are necessary to satisfy claims from available appropriations and from fund balances of the Farm Emergency Assistance Fund as of June 30 of each year to the Illinois Farmer and Agribusiness Loan Guarantee Fund to secure State Guarantees issued under this Section and Sections 830-45, 830-50, and 830-55. If for any reason the General Assembly fails to make an appropriation sufficient to meet these obligations, this Act shall constitute an irrevocable and continuing appropriation of an amount necessary to secure guarantees as defaults occur and the irrevocable and continuing authority for, and direction to, the State Treasurer and the Comptroller to make the necessary transfers to the Illinois Farmer and Agribusiness Loan Guarantee Fund, as directed by the Governor, out of the General Revenue Fund. In the event of default by the borrower on State Guarantee Loans under this Section, Section 830-45, Section 830-50, or Section 830-55, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Farmer and Agribusiness Loan Guarantee Fund to satisfy claims against the State Guarantee. It shall be the responsibility of the lender to proceed with the collecting and disposing of collateral on the State Guarantee under this Section, Section 830-45, Section 830-50, or Section 830-55 within 14 months of the time the State Guarantee is declared delinquent. If the lender does not dispose of the collateral within 14 months, the lender shall be liable to repay to the State interest on the State Guarantee equal to the same rate that the lender charges on the State Guarantee, provided that the Authority shall have the authority to extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances. The Fund shall be reimbursed for any amounts paid under this Section, Section 830-45, Section 830-50, or Section 830-55 upon liquidation of the collateral. The Authority, by resolution of the Board, may borrow sums from the Fund and provide for repayment as soon as may be practical upon receipt of payments of principal and interest by a borrower on State Guarantee Loans under this Section, Section 830-45, Section

830-50, or Section 830-55. Money may be borrowed from the Fund by the Authority for the sole purpose of paying certain interest costs for borrowers associated with selling a loan subject to a State Guarantee under this Section, Section 830-45, Section 830-50, or Section 830-55 in a secondary market as may be deemed reasonable and necessary by the Authority.

(d) Notwithstanding the provisions of this Section 830-35 with respect to the farmers, agribusinesses, and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of farmers, agribusinesses, and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

(Source: P.A. 96-897, eff. 5-24-10.)

(20 ILCS 3501/830-40)

Sec. 830-40. Cooperative agreement with the University of Illinois.

(a) The Authority may enter into a cooperative agreement with the University of Illinois whereby the University's College of Agriculture, or a department thereof, shall assess and evaluate the need for additional, and the performance of existing, State credit and finance programs administered by the Authority for farmers and agribusinesses. Pursuant to the cooperative agreement, the Authority may request from the University an evaluation of financial positions and lending risks of existing farm operations and existing and developing agricultural industries, an assessment and evaluation of the design, operation and performance of existing and proposed credit programs, an assessment of potential for development of agricultural industry, an assessment of the performance of credit markets and development of improved State credit instruments and programs, and any other information deemed necessary by the Authority to carry forth its credit and finance programs.

(b) A cooperative agreement entered into by the Authority and the University may provide for payment for services rendered by the University pursuant to the cooperative agreement from interest earnings remaining in the Illinois Agricultural Loan Guarantee Fund, as provided for in Section 830-30 of this Act, and the Illinois Farmer and Agribusiness Loan Guarantee Fund, as provided for in Section 830-40 of this Act.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/830-45)

Sec. 830-45. Young Farmer Loan Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts of young farmers. For the purposes of this Section, a young farmer is a resident of Illinois who is at least 18 years of age and who is a principal operator of a farm or land, who derives at least 50% of annual gross income from farming, whose net worth is not less than \$10,000 and whose debt to asset ratio is not less than 40%. For the purposes of this Section, debt to asset ratio means current outstanding liabilities, including any debt to be financed or refinanced under this Section 830-45, divided by current outstanding assets. The Authority shall establish the maximum permissible debt to asset ratio based on criteria

established by the Authority. Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall at a minimum contain the young farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan. State Guarantees provided under this Section (i) shall not exceed \$500,000 per young farmer, (ii) shall be set up on a payment schedule not to exceed 30 years, but shall be no longer than 15 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. A young farmer may use this program more than once provided the aggregate principal amount of State Guarantees under this Section to that young farmer does not exceed \$500,000. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties.

(b) The Authority shall provide or renew a State Guarantee to a lender if:

(i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(c) The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-30 and Section 830-35, respectively.

(d) Notwithstanding the provisions of this Section 830-45 with respect to the young farmers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of young farmers and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

(Source: P.A. 96-897, eff. 5-24-10.)

(20 ILCS 3501/830-50)

Sec. 830-50. Specialized Livestock Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance or refinance debts for specialized livestock operations that are or will be located in Illinois. For purposes of this Section, a "specialized livestock operation" includes, but is not limited to, dairy, beef, and swine enterprises. For purposes of this Section, a specialized livestock operation also includes livestock operations using anaerobic digestors to generate electricity.

(b) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan.

(c) State Guarantees provided under this Section (i) shall not exceed \$1,000,000 per applicant, (ii) shall be no longer than 15 years in duration, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. An applicant may use this program more than once, provided that the aggregate principal amount of State Guarantees under this Section to that applicant does not exceed \$1,000,000. A State Guarantee shall not be revoked by the Authority without a 90-day notice, in writing, to all parties.

(d) The Authority shall provide or renew a State Guarantee to a lender if: (i) The lender pays a fee equal to 25 basis points on the loan to the Authority on an annual basis. (ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee. (iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default. (iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(e) The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-30 and Section 830-35, respectively.

(f) Notwithstanding the provisions of this Section 830-50 with respect to the specialized livestock operations and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of specialized livestock operations and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and

procedures other than those specified in this Section.  
(Source: P.A. 95-697, eff. 11-6-07; 96-897, eff. 5-24-10.)

(20 ILCS 3501/830-55)

Sec. 830-55. Working Capital Loan Guarantee Program.

(a) The Authority is authorized to issue State Guarantees to lenders for loans to finance needed input costs related to and in connection with planting and raising agricultural crops and commodities in Illinois. Eligible input costs include, but are not limited to, fertilizer, chemicals, feed, seed, fuel, parts, and repairs. At the discretion of the Authority, the farmer, producer, or agribusiness must be able to provide the originating lender with a first lien on the proposed crop or commodity to be raised and an assignment of Federal Crop Insurance sufficient to secure the Working Capital Loan. Additional collateral may be required as deemed necessary by the lender and the Authority.

For the purposes of this Section, an eligible farmer, producer, or agribusiness is a resident of Illinois who is at least 18 years of age and who is a principal operator of a farm or land, who derives at least 50% of annual gross income from farming, and whose debt to asset ratio is not less than 40%. For the purposes of this Section, debt to asset ratio means current outstanding liabilities, including any debt to be financed or refinanced under this Section 830-55, divided by current outstanding assets. The Authority shall establish the maximum permissible debt to asset ratio based on criteria established by the Authority. Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The lender or borrower, or both in combination, shall pay an administrative fee as determined by the Authority. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. The application shall at a minimum contain the borrower's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. In addition, the borrower must certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. The lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan. State Guarantees provided under this Section (i) shall not exceed \$250,000 per borrower, (ii) shall be repaid annually, and (iii) shall be subject to an annual review and renewal by the lender and the Authority. The State Guarantee may be renewed annually, for a period not to exceed 3 total years per State Guarantee, if the borrower meets financial criteria and other conditions, as established by the Authority. A farmer or agribusiness may use this program more than once provided the aggregate principal amount of State Guarantees under this Section to that farmer or agribusiness does not exceed \$250,000 annually. No State Guarantee shall be revoked by the Authority without a 90-day notice, in writing, to all parties.

(b) The Authority shall provide a State Guarantee to a lender if:

- (i) The borrower pays to the Authority a fee equal to 100 basis points on the loan.

(ii) The application provides collateral acceptable to the Authority that is at least equal to the State Guarantee.

(iii) The lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default.

(iv) The lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided.

(c) The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund may be used to secure State Guarantees issued under this Section as provided in Section 830-30 and Section 830-35, respectively.

(d) Notwithstanding the provisions of this Section 830-55 with respect to the borrowers and lenders who may obtain State Guarantees, the Authority may promulgate rules establishing the eligibility of borrowers and lenders to participate in the State Guarantee program and the terms, standards, and procedures that will apply, when the Authority finds that emergency conditions in Illinois agriculture have created the need for State Guarantees pursuant to terms, standards, and procedures other than those specified in this Section.

(Source: P.A. 96-897, eff. 5-24-10.)