



# BUSINESS FINANCE

## Aggie Bond Program

### Providing low interest financing for new Oregon farmers

Through Business Oregon's Aggie Bond Program, you can borrow up to \$520,000 at reduced interest rates.

The Aggie Bond Program allows the lender to avoid paying income taxes on interest the lender receives from the borrower. The lender passes on this savings to the borrower in the form of a lower interest rate. *The state of Oregon does not provide a repayment guarantee of the Aggie Bond. The lender assumes all credit risks, and the borrower is solely responsible for repaying the Aggie Bond.*

To be eligible, a person must be a principal user of the farm, must be an Oregon resident, and must have a net worth of no more than \$750,000.

The maximum Aggie Bond financing is \$520,000. Aggie Bond financing can be used for:

- Purchase of farm land.
- Costs of depreciable farm property. Financing of new depreciable property (such as construction of farm buildings and new equipment) is limited to \$250,000. Financing of used depreciable farm property is limited to \$62,500.

Most entities that are in the business of making agricultural loans (such as commercial banks and Northwest Farm Credit Services) are eligible to be Aggie Bond lenders. A lender may not be a substantial user of the financed property, or related to a substantial user of that property. The Aggie Bond Program has some unique features, and works most easily with eligible lenders who have reviewed the program requirements and expressed an interest in participating.

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### WHO IS ELIGIBLE:

- Must be Oregon resident
- Have a net worth no more than \$750,000
- A principal user of farm and must materially and substantially participate on the farm
- Never owned/operated a farm that was larger than 30% of the county's median farm size

### HOW TO PARTICIPATE:

- Find an eligible lender willing to provide you financing, then
- Apply to Business Oregon



### BUSINESS OREGON

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Business Oregon is an agency of the state of Oregon.

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