

Terms of Loans

- Loan amounts are limited to: **\$200,000.**
- Maximum Loan Length:
 Animal Waste Storage - 10 years
 Equipment - 5 years
 Septic systems - 10 years
 Well sealing - 10 years
- The maximum interest rate is **3% interest** plus usual and customary fees charged by the lender.
- The county and local banker may set additional terms and requirements for eligibility of projects.
- These loans are meant to encourage water quality protection and may only be used to solve existing water quality problems.

Comparison of Typical Interest Paid on 3% and 9% loans for 5 to 10 years.

Length of Loan (years)	Loan Amount	Total Interest Paid at 3%	Total Interest Paid at 9%	Cost Savings
5	\$5,000	\$459	\$1,427	\$968
10	\$30,000	\$5,169	\$16,746	\$11,577
10	\$50,000	\$8,615	\$27,910	\$19,295

For More Information

Potential borrowers should contact the local Soil and Water Conservation District (SWCD), county environmental office or local water planning officials for more information about loan availability in their county.

Local Contacts:

Daryl Buck
Winona County SWCD
400 Wilson Street
Lewiston, MN 55952

Phone: (507) 523-2171 Ext. 112

www.winonaswcd.com



The Minnesota Department of
 Agriculture

Agricultural Best Management Practices Loan Program (AgBMP)

Low Interest Financing For Water Quality Improvement



The AgBMP Loan Program

- Provides low interest financing to **farmers, rural landowners, and agriculture supply businesses** to implement practices that prevent water pollution
- Provides loans for projects that reduce existing water quality problems caused by agricultural activities or failing septic systems
- Helps landowners comply with water related laws or rules
- Can be used with state and federal cost share or other sources of funding
- Has funds available in most counties

Who May Apply for Loans

- Farmers
- Rural Landowners
- Agriculture Supply Businesses

What are Eligible Activities

- Feedlot improvements
- Upgrading manure storage basins and odor control
- Improved manure handling, spreading and incorporation equipment
- Terraces, waterways, streambank protection, sedimentation basins, wind breaks and other practices that prevent erosion
- Conservation tillage equipment
- Repair of individual sewage treatment systems
- Sealing abandoned wells
- Most any practice that prevents water pollution

What are Ineligible Activities

- Financing projects already completed
- Improvement for feedlots with more than 1,000 animal units
- Most new construction projects

Where to Apply

The program is run locally through the local Soil and Water Conservation District or County Environmental Office. Call your local county offices to find out the local contact person for the loan program and their local application procedures.

Approval Process

The borrower proposes a project to the local county. If the project addresses local water quality priorities and the borrower meets eligibility requirements, the county may approve the project and refer it to a participating lender. The local lender evaluates the financial aspects of the project, decides whether to offer a loan, and if so, negotiates the final terms of the loan. The borrower can then complete the project. When completed, the borrower provides receipts or invoices for the cost of the project to the lender.



Local Decision Making

The AgBMP Loan Program allows local governments the flexibility needed to address specific local water quality concerns. The local loan fund is jointly administered by a local government and a cooperating local bank or financial institution.

The Local Government helps farmers, agriculture supply business, and landowners identify problems and find solutions to water quality issues related to the agricultural industry or failing septic systems.

The Local Banker is responsible for assessing the economics of the proposed project and determining if a loan is financially feasible for the individual. The banker makes lending decisions, administers the loans, and collects payments from borrowers. Because the money is a loan and must be repaid, only those projects that are financially feasible and provide environmental benefits will be funded.

Amount of Funding Available:

Since 1995, a total of **\$52 million** has been made available through the federal Clean Water Act and the Minnesota Legislature. Over **7000** loans have been issued and about **\$10 million is available each year** for Agricultural Best Management Practices and upgrades to failing septic systems. Please contact your local Soil and Water Conservation District or County Environmental Office if you are interested in this program.