



TEXAS AGRICULTURAL LOAN GUARANTEE (ALG) PROGRAM

Expand Agricultural Lending with Reduced Risk

State-backed loan guarantees to strengthen Agricultural Financing in Texas



Program Overview

The TEXAS AGRICULTURAL LOAN GUARANTEE (ALG) PROGRAM, administered by the TEXAS DEPARTMENT OF AGRICULTURE (TDA) on behalf of the TEXAS AGRICULTURAL FINANCE AUTHORITY (TAFA), helps lenders increase financing opportunities for farmers, ranchers, and agribusiness by reducing loan risk through a state-backed guarantee.

Why Participate?

Reduce Risk Exposure

Grow Your Loan Portfolio

Strengthen Rural Economies

Flexible Lending Opportunities

Enhance Customer Relationships

GET STARTED

VISIT
<https://texasagriculture.gov/agloan>

CONTACT

EconomicDevelopment@TexasAgriculture.gov
833-380-8282

TOGETHER
Let's Grow Texas Agriculture

Key Benefits to Your Institution

- Mitigates potential loan losses
- Encourages sound agricultural lending
- Supports CRA & community development goals
- Simple application and review process
- Backed by the State of Texas

How The Guarantee Works

Terms set by lender and borrower

TAFAs

TAFAs reviews within 30 days

Lender originates loan

TAFAs provides guarantee

Borrower gains capital

Risk is shared

Eligible Uses of Funds

Equipment & Machinery

Livestock & Working Capital

Land & Facility Improvements

Operating Expenses

Guarantee Structure

Up to \$500,000 | 90%

Up to \$750,000 | 80%

Up to \$1,000,000 | 70%

> \$1,000,000 | Board Approval

★ **Max Term: 10 Years**
*or the useful life of the financed assets

★ **Fixed Rates for Long-Term**
*or intermediate (maturity exceeds 1 year)

★ **Variable Rates**
*permissible for annual operating loans with a maturity of 1 year or less

Additional Benefit

Interest Rebates up to \$10,000 Annually for Eligible Borrowers