



Descriptive Tables

The following are the descriptive tables for the various financial guarantee programs. The charts cover the programs in the following order: U.S. federal programs, Canadian federal programs, Wisconsin programs, Ontario programs.

Some additional points:

- “N/A” in a block on a table means that data for that category were not available for that particular program. If a category did not apply to a certain program, then “Not Applicable” was placed in the cell.
- Whenever additional explanation was deemed necessary, a symbol was placed in that cell and a note was placed at the end of the table.

TABLE III-1
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Housing Guaranty Program	To provide capital for shelter and urban related programs.	Borrower must be a host-country housing institution, government ministry, national bank, housing development corporation, central savings and loan system, or a similar private sector institution such as a national cooperation organization.	None.	Funds are used to finance low-income and urban development in creditworthy developing countries.	N/A	State of the world economy, inflation rates in individual countries, political relationships and trade policies, currency exchange rates.	N/A
Microenterprise (guaranteed)	To help mobilize credit for small businesses and microenterprises; to develop innovative financing mechanisms that address market imperfections and strengthen the capacity of indigenous financial institutions.	Borrower must be either a permanent resident or a majority owned corporation of a USAID approved country, 100% privately owned, operating primarily in a USAID country, and meet the criteria for small businesses or microenterprises.	Depends on the type of loan.	The loans finance any private productive or commercial activity in a USAID approved country; exceptions for certain types of products depend on the country.	It is the market rate.	Exchange rate, state of economy, international political climate.	2,694
Microenterprise (direct)	To help mobilize credit for small businesses and microenterprises; to develop innovative financing mechanisms that address market imperfections and strengthen the capacity of indigenous financial institutions.	Borrower must be either a permanent resident or a majority owned corporation of a USAID approved country, 100% privately owned, operating primarily in a USAID country, and meet the criteria for small businesses or microenterprises.	Depends on the type of loan.	The loans finance any private productive or commercial activity in a USAID approved country; exceptions for certain types of products depend on the country.	It is the market rate.	Exchange rate, state of economy, international political climate.	N/A

TABLE III-2
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
AGRICULTURE CREDIT INSURANCE FUND

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Farm Ownership	To enable eligible farmers, ranchers, and aquaculture operators to become owner-operators of family farms; make efficient use of the land, labor and other resources; carry on sound and successful farming operations.	Applicants must be unable to obtain sufficient credit elsewhere; possess the necessary education and/or farm experience; have the ability to repay the loan; be a citizen of the U.S.	Real Estate in an amount adequate to protect the interest of the lender and government.	To purchase, improve, or enlarge family farms and re-finance debts.	The rate for both direct and guaranteed loans may be subsidized by up to 4% depending on borrower needs. The guaranteed loan interest rate is negotiated between the borrower and lender.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	Direct: 1,666 Guaranteed: 3,339
Farm Operating	To enable farmers to make efficient use of resources.	Same as above.	First lien on crops to be produced and on livestock or equipment purchased or refinanced with the loan funds.	To pay for items needed for successful operation.	Guaranteed: negotiated by borrower and lender; FmHa may subsidize, according to need, up to 4%. Direct: determined by the Secretary of Agriculture; not greater than 1% plus the cost of money to the government.	Same as above.	Direct: 15,737 Guaranteed: 12,297
Soil & Water	To facilitate improvement, protection, and proper use of farmland.	Same as above.	Real Estate in an amount adequate to protect the interests of the lender and government.	To develop, conserve, and to make proper use of land and water resources.	Guaranteed: interest rate is negotiated by the lender and the borrower. Direct: determined by the Secretary of Agriculture; not to exceed 1% plus the cost of money to the government.	Same as above.	Direct: 135 Guaranteed: 157

TABLE III-2—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
AGRICULTURE CREDIT INSURANCE FUND

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Indian Tribal Loans for Purchase of Land	To enable Indian tribes to purchase lands within their reservation.	Must be a recognized Indian tribe, or a tribal corporation; establish that it does not have uncommitted funds sufficient to buy the land; be unable to obtain sufficient credit elsewhere; provide evidence of reasonable prospects for success.	Assignment of income and/or a lien on the land.	The purchased land may be: leased to tribal members for dwellings, grazing, or farming; used as a site for an enterprise beneficial to the tribe; added to family operated farms; leased to a cooperative grazing association.	The rate is determined on a case by case basis depending on the project being financed.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	Direct Loans: 2
Direct Emergency	To help eligible applicants overcome the adverse effects of a natural disaster.	Evidence of having suffered a qualifying physical loss, or a production loss of at least 30 percent in any single enterprise (individual crop); be unable to obtain sufficient credit elsewhere; provide adequate security and show repayment ability.	Operating: security must be equal to 150% of the loan amount. Real Estate: real estate at least equal to the loan amount, a first lien on all property acquired or produced with loan funds; a mortgage on real estate acquired.*	To restore or replace damaged property; pay all or part of production cost associated with the disaster year and/or the following year; construct, buy or improve essential buildings; purchase essential machinery.	The rate is fixed at 3.75%.	Same as above.	Direct Loans: 3,815
Credit Sales of Acquired Property	To enable eligible farmers, ranchers, and aquaculture operators to become owner-operators of family farms.	Applicants must be unable to obtain sufficient credit elsewhere; possess the necessary education and/or farm experience; have the ability to repay the loan; be a citizen of the U.S.	Real Estate in an amount adequate to protect the interest of the lender and government.	To purchase property that is owned by the Department of Agriculture.	The rate for both direct and guaranteed loans may be subsidized by up to 4% depending on borrower needs. The guaranteed loan interest rate is negotiated between the borrower and lender.	Same as above.	Direct Loans: 744

*If the security value of all property or products acquired, produced or refinanced with loan funds does not provide security equal to at least 150% of the loan amount, the best lien obtainable will be taken on other chattel security.

**TABLE III-3
 DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
 AT THE U.S. DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 CCC EXPORT CREDIT GUARANTEE PROGRAM**

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
CCC Export Credit Guarantee Program	Help finance imports of U.S. food and agricultural products on deferred payment terms.	CCC does not decide on eligibility. Any importer is eligible who is able to import agricultural products under the importing country's import rules and requirements, and who can work with CCC-approved banks to participate in a transaction where coverage has been announced by the USDA.	Letter of credit.	USDA will consider providing a guarantee allocation for any agricultural product that is entirely produced in the United States if the market for U.S. exports will be expanded or maintained by providing guaranteed credit.	U.S. and importing country banks negotiate the cost of financing. Usually the interest rate is a fraction above the U.S. prime rate or the London interbank offer rate. Both rates float, and the financing rates based on them may also be adjusted, for example, at the due dates of principal payments.	Market demand for the import, poor economic conditions, inflation.	Total number of shipments: 10,582

TABLE III-4
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Business & Industry Loan Program	To assist public, private, or cooperative organizations, Indian tribes or individuals in rural areas to obtain quality loans for the purpose of improving, developing or financing business, industry, and to provide employment opportunities.	Preference is given to loans in open country, rural communities and towns of 25,000 or less, and, on applications of equal priority, veterans. Applicants must be U.S. citizens and, if corporations, at least 51% ownership must be held by U.S. citizens.	Collateral in an amount adequate to protect the interest of the lender and the government.	Business and industrial acquisition, construction, conversion, enlargement, repair, modernization, development costs; purchasing and development of land; purchasing of equipment; pollution control and abatement.	Interest rates on guarantees are negotiated between the lender and the borrower.	State of the economy, competitiveness of industry, inflation, poor business management, population trends.	Guaranteed: 1,434 Direct: 0
Rural Economic Development Loans	To promote rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects, and other reasonable expenses for the purpose of fostering rural development.	Electric and telephone utilities that have current REA (Rural Electrification Administration) or rural telephone bank loans or guarantees outstanding and are not delinquent on any Federal debt or in bankruptcy proceedings.	Applicant must already have a loan (previous credit history) with a government electric and telephone plant. Mortgage to the electric and telephone plant.	Business incubators, establishment or expansion of factories or businesses industrial development parks, facilities and for rural economic development activities and other job creation projects.	Interest rates on guarantees are negotiated between the lender and the borrower.	State of the economy, competitiveness of industry, inflation, poor business management, population trends.	Direct: 47
Intermediary Relending Program	To finance business facilities and community development.	Eligible intermediaries may include: Private nonprofit organizations, State or local governments, and federally recognized Indian tribes and cooperatives. Must be located within a city with a population of 25,000 or more.	Security in an amount adequate to protect the interests of the lender and government.	Intermediaries must relend all of the loan funds received from the IRP loan, for business facilities or community development in rural areas.	It is fixed at 1% per year.	State of the economy, competitiveness of industry, inflation, poor business management, population trends.	Direct: 71

TABLE III-5
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Rural Housing Insurance, Single-Family, Unsubsidized	To enable eligible applicants to purchase homes of modest cost in eligible rural areas and make home improvements.	Applicants with moderate incomes that do not exceed 100% of the area's median income level as determined by HUD; have sufficient income to meet all obligations, have an acceptable credit history; be the owner occupant of the dwelling, be a U.S. Citizen or be legally admitted to the U.S. for permanent residency.	A loan of more than \$2,500, and any loan to be repaid in more than 10 years, will be secured by a mortgage. A loan of not more than \$2,500 scheduled for repayment within 10 years may be secured under certain conditions by a promissory note.	To purchase, build, improve, repair, or rehabilitate rural homes and related facilities, and to provide adequate water and waste disposal systems.	The maximum interest may not exceed the higher of the current VA rate or Fannie Mae's required net yield for 90-day commitments on 30 year fixed-rate mortgages with actual/actual remittance plus 60 basis points.*	State of the economy, interest rates, economic hardship, property values.	Guaranteed: 11,569 Direct: 59,775
Rural Community Facility Loan Program	To construct, enlarge, extend, and improve community facilities providing essential services.	Public entities such as municipalities, counties, and special purpose districts. Nonprofit corporations and Indian tribes are also eligible. Must be financially sound and be able to organize and manage the facility effectively.	Bonds or notes pledging taxes, assessments, or revenues will be accepted as security if they meet statutory requirements. A mortgage may also be taken on real estate and personal property when State laws permit. All loans will be secured to adequately protect the interest of the Government.	To construct, enlarge, or improve community facilities for health care, public safety and public services.	Interest rates are set periodically and will be based on current market yields for municipal obligations, except that some loans which involve the use of prime or unique farmland may require a slightly higher interest rate. There are some loans made at a lower interest rate.	State of the economy, interest rates, economic hardship.	Guaranteed: 40 Direct: 234

TABLE III-5—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Sale of Acquired Properties	To enable eligible applicants to purchase homes of modest cost in eligible rural areas.	Applicants with moderate incomes that do not exceed 100% of the area's median income level as determined by HUD; have sufficient income to meet all obligations, have an acceptable credit history; be the owner occupant of the dwelling, be a U.S. Citizen or be legally admitted to the U.S. for permanent residency.	Mortgage on the property.	To purchase existing homes.	The maximum interest may not exceed the higher of the current VA rate or Fannie Mae's required net yield for 90-day commitments on 30 year fixed-rate mortgages with actual/actual remittance plus 60 basis points.	State of the economy, interest rates, economic hardship, property values.	Direct: 2,489
Multifamily Housing	To provide insured loans to finance rental and cooperatively owned housing of modest design for very low, low, and moderate income families, the elderly and the handicapped.	Eligibility of applicants will be determined by Farmers Home Administration. Applicants should have the ability and experience to operate and manage a rental housing project successfully.	Mortgage on the property.	Funds can be used to construct new housing or to purchase and/or rehabilitate existing structures for rental purposes.	Negotiated by the lender and borrower.	State of the economy, interest rates, economic hardship, property values.	Direct: 717
Housing Repair	To provide financing in order to allow people who may not need or cannot afford a new house, but need some work done on their present house to bring it up to minimum standards.	Owners that live in a home on a farm in the open country, or in towns of up to 10,000 population; unable to secure credit from regular commercial lenders.	A real estate mortgage is required for loans of more than \$2,500, and in some instances may be required for smaller loans. Some loans may require a co-signer when the borrower's income is small so that repaying the loan may be difficult.	Generally, repair loans and grants may be used to remove health hazards by repairing roofs, providing a sanitary water and waste disposal system that meets local health department requirements, installing screens, windows, and insulation.	Interest rates are based on each household's income and usually will be 1, 2, or 3% depending on need. Some loans are repayable in 33 years and are made at the regular interest rate, or with "interest credits" depending upon family size and income.	State of the economy, interest rates, economic hardship	Direct: 5,690

TABLE III-5—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF AGRICULTURE
RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Farm Labor Housing	To provide decent, safe, and sanitary low-rent housing and related facilities for domestic farm laborers.	Available to farmers, family farm partnerships, family farm corporations, or an association of farmers. A clearly defined need must exist to provide housing for domestic farm laborers.	A loan to an individual will be secured by a lien on the farm. For an organization, a mortgage will be taken on the housing, including the site and related activities. When necessary other security may be required.	Construction, repair, or purchase of year around or seasonal housing and land improvements. Purchase building sites, purchase durable household furnishings, and develop water, sewage, heating, and lighting systems.	1% a year on the unpaid principal.	Commodity prices, state of the economy, interest rates, economic hardship	Direct: 14
Site Development	To assist public or private nonprofit organizations interested in providing sites for housing in order to acquire and develop land in rural areas to be subdivided as adequate building sites and sold on a cost development basis to modest income families.	A private or public nonprofit organization that will provide the developed sites to qualify on a cost of development basis in open country and towns of 10,000 population or less and places up to 25,000 population in certain conditions.	Each loan will be secured by a mortgage on the property purchased or improved with the loan, and a security interest in the funds held by the corporation in trust for the government, in accordance with the provisions of the required Loan Resolution.	Purchase and development of adequate sites, including necessary equipment which becomes a permanent part of the development; development of water and sewer facilities if not available.	The interest rate charged by FmHA will be the lower of the interest rates in effect at the time of loan approval or loan closing.	State of the economy, interest rates, economic hardship, population trends.	0
Self-Help Land Development	To provide loans to organizations which will provide sites for self-help housing.	The applicant must be a nonprofit organization engaged in assisting self-help projects.	Each loan will be secured by a mortgage on the property purchased or improved with the loan, and a security interest in the funds held by the corporation in trust for the government, in accordance with the provisions of the required Loan Resolution.	The funds are used to purchase and develop building sites for housing to be built by the self-help method.	The interest rate is 3% per year on the unpaid principal balance.	State of the economy, interest rates, economic hardship, property values.	0

*Actual/actual remittance refers to the basic FNMA interest rate net of any premiums they might normally receive.

TABLE III-6
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS AT THE U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Fishing vessels finance obligation guarantee	To provide financing or upgrading opportunities for U.S. fishing vessels or shoreside facilities.	Must be a citizen or national of the U.S. Must have lender approved by the Secretary of Commerce as able to provide reasonable terms and an operator/owner approved as possessing the ability, experience, financial resources necessary to the adequate operation and maintenance of the project.	A mortgage - the vessel or the facility for which the financing is to be guaranteed should always be collateral for the program guarantee. This property ordinarily will be secured by a first mortgage, first preferred ship mortgage, or chattel mortgage.	Finance construction, reconstruction, reconditioning, or purchase of any fishing vessel documented under U.S. law or any fisheries shoreside facility located anywhere in any state of the U.S.	Rate is determined by competitive auction. On average 10 year fixed rate loans are 50-75 basis points over comparable Treasury notes.	Increase of fuel prices, availability of resources, natural disaster, market demand.	Guaranteed: 40

TABLE III-7
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS AT THE U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
FEDERAL FAMILY EDUCATION LOAN PROGRAM AND THE FORD DIRECT LOAN PROGRAM*

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate‡	Factors Contributing to Defaults	Loans Made in FY 1994
Stafford	To encourage various lenders (banks, credit unions, savings and loan associations, etc.) to make loans to vocational, undergraduate, and graduate students to help pay for educational expenses at eligible post-secondary institutions.	Any U.S. Citizen or individual who is in the U.S. for other than a temporary purpose and who is attending or has been accepted into a degree program at a participating school on at least half-time basis is eligible to apply; in addition, for this subsidized program, the student must demonstrate need.	None.	Funds may be used for the costs of education at participating schools.	The 91 day Treasury Bill Rate plus 3.1% with a cap of 8.25%; starting 7/1/95, the rate will be lowered while students are in school or in grace or deferment periods to the 91 day Treasury Bill Rate plus 2.5%; interest payments are fully subsidized while a student is in school or in a grace or deferment period.	General condition of the economy, especially the unemployment rate; disability, illness.	Direct: 0 Guaranteed: 4,522,014
Unsubsidized Stafford	Same as above.	Any student who would qualify for a Stafford loan, but who does not demonstrate financial need is eligible to apply.	None.	Same as above.	Same interest rate as ordinary Stafford Loans but there is no interest subsidy.	General condition of the economy, especially the unemployment rate; disability, illness.	Direct: 0 Guaranteed: 1,321,783
PLUS	Same as above.	Any parent of a student who fits the criteria described for the Unsubsidized Stafford Loan may apply; i.e. these loans are not need based.	None.	Same as above.	The 52-week Treasury Bill Rate plus 3.10% with a maximum rate of 9%; there are no interest subsidies.	General condition of the economy, especially the unemployment rate; disability, illness.	Direct: 0 Guaranteed: 349,815

TABLE III-7—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS AT THE U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
FEDERAL FAMILY EDUCATION LOAN PROGRAM AND THE FORD DIRECT LOAN PROGRAM*

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate‡	Factors Contributing to Defaults	Loans Made in FY 1994
Consolidated	To encourage various lenders (banks, credit unions, savings and loan associations, etc) to make loans to vocational, undergraduate, and graduate students to help pay for educational expenses at eligible post-secondary institutions.	Students may consolidate their loans if: they have at least \$7500 in debt through the following programs: Stafford, SLS, PLUS, Perkins (formerly NDSL) and Health Professions Student Loans.†	None.	Funds may be used for the costs of education at participating schools.	Guaranteed: the highest amount is the weighted average of the interest rate on the consolidated loans, rounded up to the nearest whole percent. Direct: the rate is the Stafford interest rate, except for the consolidation of PLUS loans, where the rate is based on the PLUS rate.	General condition of the economy, especially the unemployment rate; disability, illness.	Direct: 0 Guaranteed: 83,792
SLS§ (Federal Supplemental Loans for Students - Guaranteed Only)	Same as above.	Graduate or professional students and independent undergraduates may apply; sometimes a dependent undergraduate may apply.	None.	Same as above.	When the program was in place, the borrower interest rate was equal to the current Treasury Bill rate plus some variable amount.	Same as above.	553,283

*The Federal Family Education Loan (FFEL) program handles guaranteed loans and the Ford Program handles direct loans. Under the President's proposed policy, Direct Loans will fully replace FFEL loans in the 1997-1998 fiscal year.

†Students must be repaying their debts or be in a grace period. Additionally, students who are defaulted borrowers, but who would reenter payment phase through consolidation are also eligible.

‡Lenders may also be eligible to receive an interest subsidy from the Government to ensure that they earn a guaranteed rate of return on the loans they issue. These interest allowances are based on borrower interest rates and the market yield. For example, the lender is eligible for a special allowance if the average 91-day Treasury bill rate plus 3.1% is greater than the amount charged to borrowers.

§The SLS program was eliminated in 1994 under the Student Loan Reform Act. No new loans were made as of July 1, 1994 and all existing loans were converted to Unsubsidized Stafford Loans.

TABLE III-8
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS AT THE U.S. DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Historically Black College and University Capital Financing Program (Guaranteed Program)*	To provide historically black colleges and universities with private capital for capital projects.	N/A	10% of the principal must be deposited into an escrow account with the bonding authority.	For such projects as the repair, renovation, and construction of classrooms, libraries, dormitories, and for the acquisition of instructional and research equipment.	N/A	General economic conditions, enrollment at universities, legislation affecting affirmative action.	0
College Housing and Academic Facilities Loan Program (CHAFL) (Direct Program)	To encourage the construction and renovation of academic housing and facilities, with an emphasis on older academic facilities which have been neglected.	Public or private nonprofit college or university offering at least a two year program which can be used toward a bachelor's degree; public and private nonprofit hospitals operating nursing schools or internship programs; non-profit organizations established solely to provide student or faculty housing.	No collateral requirements. At least 20% of the eligible development costs must be provided by non-federal sources.	Funds must be used to construct, acquire, and rehabilitate academic facilities and housing.	It is constant at 5.5%. Therefore, this account is only partially self-financing because the Department of Education must pay the Treasury, on average, 8.8% for funds used to make these loans.	General economic conditions, enrollment at universities.	0

*The legislation to develop this program has passed Congress, however the program is still being created and no loans have been made.

TABLE III-9
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Health Education Assistance Loans (HEAL)	To authorize loans for educational expenses available from a variety of lenders.	Any U.S. citizen, national, or person lawfully admitted to the U.S. for permanent residence who is enrolled on a full-time basis at a health profession school may apply.	None.	Funds may be used to help defray the costs of education at an eligible professional institution.	Maximum of 3% above the 91-day Treasury Bill; variable on a quarterly basis.	State of the economy, unemployment rates, illness, disability, financial hardship.	22,328

TABLE III-10
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
SINGLE-FAMILY PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
203(b) MMI Insurance	To assist buyers with good credit history to finance the acquisition of one-to-four family housing that is existing, proposed or under construction.	Any individual able to make the cash investment, the mortgage payments, and the credit requirements; usually limited to owner-occupants.	The mortgage on the property.	To acquire existing one-to-four family housing that is existing, proposed or under construction.	It is the market rate.	Median household income, unemployment rate, constant quality house price appreciation index, FHA interest rate, LTV and loan size categories, legislation affecting homeowners.	1,217,015
203(k) Rehabilitation Loans	To provide mortgage financing for the rehabilitation, purchase or refinancing of existing one-to-four family homes more than one year old.	Any individual able to make the cash investment, the mortgage payments, and the credit requirements.	The mortgage on the property.	To purchase a structure and the land and rehabilitate it; To purchase a structure and move it to another site; To refinance; To rehabilitate.	It is the market rate.	Median household income, unemployment rate, constant quality house price appreciation index, FHA interest rate, LTV and loan size categories, legislation affecting homeowners.	3,713
221(d)(2) Low Cost Homes	To provide mortgage insurance for the purchase of one-to-four family homes to low and moderate-income families and families who have been displaced by government action, urban renewal or natural disaster.	All may apply, displaced applicants may qualify for special terms.	The mortgage on the property.	To purchase one-to-four family homes.	It is the market rate.	Median household income, unemployment rate, constant quality house price appreciation index, FHA interest rate, LTV and loan size categories, legislation affecting homeowners.	N/A*

TABLE III-10—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
SINGLE-FAMILY PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
223(e) Urban Declining Areas	To help finance the purchase, renovation or repair of homes in declining urban areas.	These types of properties will be insured under other HUD programs if they would not normally have qualified for those programs but HUD determines that normal mortgage insurance requirements can't be met. Therefore this is not a separate program; It supplements other HUD programs.	The mortgage on the property.	To purchase, refinance or repair homes in declining urban areas.	It is the market rate.	Median household income, unemployment rate, constant quality house price appreciation index, FHA interest rate, LTV and loan size categories, legislation affecting homeowners, population trends.	N/A*
234 Condominiums	To finance the construction or rehabilitation of multifamily units to be sold as individual units or to acquire existing units.	Qualified profit or nonprofit sponsors may apply for a mortgage to cover a whole project; Generally insurance for individual units is limited to owner-occupants.	The mortgage on the property.	To purchase or rehabilitate multifamily units to be sold as individual units or to acquire existing units.	It is the market rate.	Median household income, unemployment rate, constant quality house price appreciation index, FHA interest rate, LTV and loan size categories, legislation affecting homeowners.	101,531
235 Interest Subsidies	To assist lenders who had mortgages with eligible lower-income borrowers which lowered the interest rate to the borrower. This program no longer issues any new mortgages.	At the time, eligible mortgagors had to have an income below the median income of the area, adjusted for family size.	The mortgage on the property.	To acquire a single family home.	The borrower rate was subsidized to various degrees during the life of the program.	No longer active.	0

*The FHA Housing Comptroller's Portfolio and Production Report, our source for these programs, only provides the number of loans in a given fiscal year for those programs that have significant activity. This program has little or no activity in FY1994 so this figure is not available.

TABLE III-11
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
MULTIFAMILY PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
207/223(f) Rental Housing	To finance the construction or rehabilitation of multifamily units designed primarily for residential use.	Investors, builders and developers who meet HUDs requirements may apply; Projects must have a minimum of five units.	For new construction, the borrower must deposit at least 2% of the principal amount of the mortgage with the lender; For rehabilitation, the borrower must deposit a HUD-approved amount.	To acquire or rehabilitate multifamily units.	It is the market rate.	LTV, loan size, market rents, consumer housing preferences, deterioration of the property, FHA interest rates.	285
213 Cooperatives	To finance the construction, rehabilitation, or acquisition of cooperative housing projects of five or more dwelling units.	Applicant must be non-profit corporations or trusts which have been organized to construct homes for members of the corporation or beneficiaries of the trust; Also, sponsors who intend to sell the project to a non-profit cooperative.	The mortgage on the property.	To construct, rehabilitate or acquire cooperative housing projects.	It is the market rate.	LTV, loan size, market rents, consumer housing preferences, deterioration of the property, FHA interest rates.	N/A*
221 Low Income (221(d)3 and 221(d)4)	To assist private industry in the construction or substantial rehabilitation of rental and cooperative housing for low and moderate income families.	Nonprofit, builder-seller, and rehabilitation sales mortgagors, public mortgagors, limited distribution mortgagors, cooperative and investor sponsor mortgages, and general/profit motivated sponsors.	The mortgage on the property.	To construct, rehabilitate, or acquire cooperative housing projects.	It is the market rate.	LTV, loan size, market rents, deterioration of the property, FHA interest rates, government assistance for those with low incomes.	88

TABLE III-11—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
MULTIFAMILY PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
221(d)(3) BMIR Low Income	The goal was to provide below market interest rates for sponsors of lower income housing. The program no longer exists.	No longer active.	The mortgage on the property.	No longer active.	The borrower rate was subsidized to various degrees during the life of the program.	No longer active.	0
232 Nursing Homes	To provide insurance financing for nursing homes, intermediate care facilities, board and care homes.	Profit or nonprofit builders, developers, organizations that are acquiring or rehabilitating eligible facilities.	The mortgage on the property.	To acquire or rehabilitate nursing homes, intermediate care facilities, etc.	It is the market rate.	LTV, loan size, FHA interest rates, management of the facility, population trends, health care legislation.	87
236 Interest Subsidies	No longer active.	No longer active.	The mortgage on the property.	No longer active.	The borrower rate was subsidized to various degrees during the life of the program.	No longer active.	0

TABLE III-11—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
MULTIFAMILY PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
242 Hospitals	To provide insurance for financing the construction or rehabilitation of profit and nonprofit hospitals.	Profit and nonprofit hospitals certified by the responsible state agency.	The mortgage on the property.	To construct or rehabilitate hospitals.	It is the market rate.	LTV, loan size, FHA interest rates, management of the facility, population trends, health care legislation.	2
Multifamily Coinsurance	To share mortgage risk with private lenders in order to encourage the production and rehabilitation of moderate income rental housing and health care facilities. No new loans are insured under this program.	Lenders who were considered to be eligible by HUD.	The portfolio of coinsured loans.	No longer active.	It was the market rate.	No longer active.	0
Multifamily Coinsurance-Conversion	To convert to full insurance the programs that have been insured under coinsurance; This occurs when a loan defaults and HUD decides to pay off partial claims.	Those lenders who were eligible under multifamily coinsurance.	The coinsured loans.	No longer active.	It was the market rate.	No longer active.	0

*The FHA Housing Comptroller's Portfolio and Production Report, our source for the housing programs, only tracks housing programs with significant activity. For this program, there was not adequate activity for it to be covered.

TABLE III-12
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FHA GENERAL AND SPECIAL RISK INSURANCE FUND AND THE MUTUAL MORTGAGE INSURANCE FUND
TITLE I PROGRAMS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
Title I - Property Improvement	To finance loans for improvements of individual homes, apartment buildings, nonresidential structures and the construction of new nonresidential structures.	Anyone who can make the mortgage payments, down payment and other costs; No specific income requirements.	The mortgage on the property; For loans over \$15,000, the borrower must have equity in the property at least equal to the loan amount.	To make improvements on existing structures or to construct nonresidential structures.	It is the market rate.	Condition of the economy, FHA interest rates, prices in the construction industry, consumer housing preferences.	67,120
Title I - Manufactured Housing	To finance loans for the purchase of manufactured homes.	The program is generally limited to owner occupants; Must be able to make the payments; No specific income requirements.	A downpayment is required.	To purchase manufactured home units for use as a principal residence.	It is the market rate.	LTV, loan size, rate of depreciation of the asset, FHA interest rates, unemployment, median household income levels.	5,028

**TABLE III-13
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
Public and Indian Housing Programs Indian Loan Guarantee Fund	To provide access to sources of private financing for Indian families and Indian housing authorities which, due to the legal status of Indian trust land, can not acquire housing financing.	An Indian who is attempting to buy a property for his/her personal home and who has met certain credit and underwriting standards or Indian Housing Authorities who are developing single family homes for subsequent sale to eligible borrowers may apply.	There is a downpayment requirement and a 1% guarantee fee.	To purchase or rehabilitate existing housing or to construct new housing.	It is the market rate.	Condition of the economy and the housing industry, legislation affecting the treatment of Native American Indians, interest rates.	14*
Community Planning and Development Community Opportunity Performance Funds Program Account (formerly Section 108)	To provide eligible communities with sources of financing for housing rehabilitation, economic development, and other large physical development projects. This program is the loan guarantee portion of the Community Development Block Grant Program.	Metropolitan cities and urban counties that receive entitlement grants and non-entitlement communities that are assisted in submitting applications by states administering the Community Development Block Grant Program.	The current and future Community Development Block Grant funds must be rendered as the principal security for the loan guarantee. For repayment periods longer than ten years, additional security may be required.	For programs which primarily benefit low- and moderate income people or which eliminate slums, such as: real property acquisition, rehabilitation of publicly-owned real property, housing rehabilitation eligible under the Community Development Block Grants program.	N/A	Condition of the economy and the housing industry, interest rates, population trends, local community initiatives.	0

TABLE III-13—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made/ Guaranteed in FY 1994
Government National Mortgage Association Mortgage-backed securities	By guaranteeing the timely payment of principal and interest to holders of securities which are issued by private lenders and backed by pools of FHA, VA or FmHA insured or guaranteed mortgages, the GNMA attracts non-traditional investors to the residential mortgage market thereby channeling funds from the securities markets into the residential mortgage market.	The firm must be an approved issuer of mortgage backed securities. In addition, the firm must be approved by FHA and FNMA as a mortgagee/seller-servicer in good standing.	The pool of mortgages from which the issuer has issued securities.	No funds are issued to the servicers.	Not Applicable†	LTV and loan size of the mortgages in the securities, constant quality house price index, performance of the issuers, VA/FHA/conventional interest rates, savings rate, unemployment.	Not Applicable‡

*This is the number of applicants who have been prequalified to receive guaranteed loans and who are expected to receive loans in the upcoming year.

†The issuers of the mortgage-backed securities are not borrowing funds so this category does not apply.

‡GNMA guarantees the payment of principal and interest from servicers to mortgage backed security holders, so they are not guaranteeing actual loans.

TABLE III-14
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Indian Guaranteed Loan Program	To provide assistance to Indians, Alaskan Natives, tribes and Indian organizations to obtain financing from private and governmental sources which serve other citizens.	Indians, Alaskan Natives, tribes, and Indian organizations may apply. Individuals must be a member of a federally recognized tribe. Organizational applicants must have a form of organization satisfactory to the Assistant Secretary for Indian Affairs.	Variable depending on the type of loan.	Loans may be used for business, industry, agriculture, rehabilitation, housing, education, and for relending by tribes and Indian organizations to members of such organizations.	Loans guaranteed at 90% use the New York prime rate plus 1.5%; loans guaranteed at 80% use the New York prime rate plus 2.75%; varies on a quarterly basis.	State of the economy, inflation rate, unemployment rate, changes in the political climate.	114
Indian Direct Loan Program	To provide financial assistance through the Bureau of Indian Affairs to eligible applicants for any purpose that will promote the economic development of a Federal Indian Reserve when other sources of financing are not available.	Indians, Alaskan Natives, tribes, and Indian organizations may apply. Individuals must be a member of a federally recognized tribe. Organizational applicants must have a form of organization satisfactory to the Assistant Secretary for Indian Affairs.	Variable depending on the type of loan.	Loans may be used for business, industry, agriculture, rehabilitation, housing, education, and for relending by tribes and Indian organizations to members of such organizations.	Monthly Treasury rate.	State of the economy, inflation rate, unemployment rate, changes in the political climate.	40

TABLE III-15
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
All Categories (Levels 1, 2, & 3)	To promote growth and modernization of the U.S. merchant marine and U.S. shipyards.	Eligible vessels include most commercial vessels. Eligible technology includes proven techniques and processes to enhance the productivity and quality of shipyards, novel techniques designed to improve shipbuilding and related industry production.	Variable by type and size of loan.	Funds are used for construction, reconstruction, and reconditioning of commercial vessels in U.S. shipyards, U.S. shipyard modernization projects and certain refinancing.	Rates are set by the market and are usually fixed for life of loan.	State of the economy, inflation rate, military spending, political climate.	7

TABLE III-16
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Guaranty and Indemnity Fund (Veterans Housing)	To assist veterans, certain service personnel, and certain unmarried surviving spouses of veterans, in obtaining credit for the purchase, construction or improvement of homes on more liberal terms than are generally available to non-veterans.	Veterans, service personnel, unmarried surviving spouses of veterans.	A mortgage on the property.	Funds may be used to buy or build a home; simultaneously purchase and improve a home; repair and improve a home; refinancing.	It is the market rate.	Legislation, state of the economy, interest rates.	Guarantees: 602,220 Direct: 0
Loan Guaranty Program	To assist veterans, certain service personnel, and certain unmarried surviving spouses of veterans, in obtaining credit for the purchase, construction or improvement of homes and for the purchase of manufactured homes.	Veterans, service personnel, unmarried surviving spouses of veterans.	A mortgage on the property.	Funds may be used to buy or build a home; simultaneously purchase and improve a home; purchase a manufactured home; repair and improve a home; refinancing.	It is the market rate.	Legislation, state of the economy, interest rates.	Guarantees (manufactured homes): 24 Direct: 0
Education Loan Fund Program*	To provide loans to dependents of veterans for training programs.	Dependents of veterans.	None.	To pay for training benefits.	No longer active.	Legislation, state of the economy, unemployment rate.	No loans have been issued since 1987.
Native American Veteran Housing Program**	To provide direct loans to certain Native American veterans for the purchase or construction of homes on trust lands.	Native Americans who are veterans, service personnel, certain unmarried surviving spouses of veterans.	A lease hold on the property.	Funds are used to buy or build a home; simultaneously purchase and improve a home; repair and improve a home; purchase a manufactured home.	It is the market rate.	Legislation, state of the economy, interest rates.	Direct Loans: 3
Vocational Rehabilitation Loan Program	To provide short-term loans for financial emergencies. (An emergency is broadly defined by the VA).	Veterans, service personnel, unmarried surviving spouses of veterans.	None.	To pay for financial emergencies.	No interest rate is charged.	State of the economy, unemployment rate, individual circumstances.	Direct Loans: 5,492

*This program has not been active since 1987.

**Five year pilot program (First loans made in 1994).

TABLE III-17
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE EXPORT-IMPORT BANK OF THE UNITED STATES

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Export-Import Bank of the United States	To help finance the overseas sale of U.S. goods and services.	All goods and services that are supported by these programs must have at least 50% U.S. content and must not be military related or a raw commodity. Limits on countries are provided on a semi-annual basis.	Varies with type and amount of loan.	Funds may be used overseas for the purchase of U.S. goods and services. Funds may be used domestically to assist small businesses in their export endeavors.	Varies case-by-case with risk.	Exchange rates, international political climate, world economy.	Guaranteed: 361 Direct: 47

**TABLE III-18
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. OVERSEAS PRIVATE INVESTMENT CORPORATION**

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Direct Loan and Loan Guarantee Programs	To assist eligible investors by providing financing assistance for projects in friendly developing countries, consequently assisting U.S. development goals and improving U.S. competitiveness, creating jobs for Americans and increasing U.S. exports.	Must be a citizen of the U.S.; or a corporation, partnership or association created under U.S. laws; or a 95% owned foreign subsidiary of such association. However, direct loans are reserved for U.S. small businesses (non Fortune 500).	Varies on the type and individual merits of the project—most are collateralized by project assets or by escrow accounts that borrowers are required to establish.	Funds must be used for projects which have a positive impact on the host country and the United States. OPIC will screen out projects which have a negative impact on U.S. employment or the U.S. environment.	Varies depending on the risk that is associated with the project.	General world market conditions, political and economic events in the foreign nation, relations between the U.S. and the foreign country, exchange rates.	Direct: 5 Guaranteed: 26

TABLE III-19
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. SMALL BUSINESS ADMINISTRATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Small Business Investment & Specialized Small Business Investment Company Guarantees (SBIC; SSBIC)	To establish privately owned and managed investment companies, which are licensed and regulated by the U.S. SBA; to provide equity capital and long term loan funds to small businesses; and to provide advisory services to small businesses.	Any chartered small business investment company having a combined paid-in capital and paid-in surplus of not less than \$2,500,000 (\$1,500,000 for SSBICs), having qualified management, and giving evidence of sound operation.	Best lien position on all assets financed.	The investment companies provide management and financial assistance on a continuing basis to eligible small business concerns. Emphasis is on providing assistance to the pioneering, innovating-type concerns developing new products, processes, and markets	For SBIC loans it is the market rate. For SSBIC loans, there is a 3% interest subsidy the first five years and then the borrower pays the market rate.	Stability of the economy, competitiveness of industry, inflation, poor business management.	N/A
Section 502 Development Company Program	To make Federal loans to local development companies to provide long-term financing to small business concerns. Local development companies are corporations chartered for the purpose of promoting economic growth within a specific area.	Loans are available to local development companies which are incorporated under the general State corporation statute, either on a profit, or nonprofit basis, for the purpose of promoting economic growth in a particular community within the State.	Best lien position on all assets financed.	Purchasing land, buildings, machinery, and equipment, or for constructing, expanding, or modernizing buildings.	It is the market rate.	Stability of the economy, competitiveness of industry, inflation, poor business management.	Guaranteed: 54
Section 504 Development Company Program	To assist small business concerns by providing long-term fixed rate financing for fixed assets through the sale of debentures to private investors.	Certified development companies must be incorporated under general State corporation statute, on a nonprofit basis, for the purpose of promoting economic growth in a particular area.	Best lien position on all assets financed.	Loans are to assist small businesses in the acquisition of land and buildings, construction, expansion, renovation and modernization, machinery and equipment.	It is the market rate.	Stability of the economy, competitiveness of industry, inflation, poor business management.	Guaranteed: 3,749

TABLE III-19—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE U.S. SMALL BUSINESS ADMINISTRATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Section 7(a) General Business Guarantee	To provide guaranteed loans to small businesses which are unable to obtain financing in the private credit marketplace, but can demonstrate an ability to repay loans granted.	A small business which is independently owned and operated and not dominant in its field. Generally, Applicant must also meet SBA size standards and revenue standards set according to the type of industry.	Best lien position on all assets financed.	To construct, expand, or convert facilities; to purchase building equipment or materials; for working capital.	N/A	Stability of the economy, competitiveness of industry, inflation, poor business management.	Guaranteed: 34,604
Micro Loan Guarantee Program	To assist women, low-income, minority entrepreneurs, business owners, and other individuals possessing the capability to operate successful business concerns.	An applicant is considered eligible to apply if he/she meets the definition of an intermediary lender, and meets minimum experience and capability requirements.	Best lien position on all assets financed.	Loans are made to intermediary lenders who lend to small businesses, minority entrepreneur, nonprofit entities, business owners, women and low income, and other individuals possessing the capability to operate successful business concerns.	N/A	Stability of the economy, competitiveness of industry, inflation, poor business management.	Guaranteed: 23
Handicapped Assistance Loans	To provide direct loans for nonprofit sheltered workshops and other similar organizations that produce goods and services; and to assist in the establishment, acquisition, or operation of a small business owned by handicapped individuals.	For nonprofit organizations, must be organized under the laws of the state, or of the United States, as an organization operating in the interests of handicapped people. For small business concerns, must be independently owned & operated.	Security in an amount to protect the interest of the government.	Loan proceeds may be used for working capital and construction, expansion, or conversion of facilities if a construction grant is not available from other government sources.	N/A	Stability of the economy, competitiveness of industry, inflation, poor business management.	Direct: 106

TABLE III-20
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS AT AGRICULTURE CANADA
FARM IMPROVEMENT LOANS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Farm Improvement Loans	To improve and develop farms.	Individuals, partnerships, corporations or cooperative associations actively engaged in farming and operating the farm as a business with the intent of making a profit are eligible to apply.	First lien on the item purchased or a mortgage on the farm property. The farmer must also sign a written promise to repay the loan.	Funds are used for major repairs and improvements, to purchase new equipment, construction and repairs of farm buildings, purchase of livestock or additional land, land clearing and irrigation systems.	The farmer may choose to repay the loan with a variable rate of prime rate plus 1% or with a fixed rate for up to 5 years at the prime rate plus 1% plus one-quarter of 1% for each year (e.g., prime rate plus 2.25% for a 5-year, fixed rate, term loan.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	Approximately 20,000 loans a year. (This includes both farm improvement and marketing co-operatives loans.)
Farm Marketing Cooperative Loans	To improve and develop farms.	Farm marketing cooperatives incorporated under the laws of Canada or of a province for the purpose of processing, distributing or marketing farm products on a cooperative basis are eligible to apply. Each member or shareholder must, as an individual, be eligible for a Farm Improvement Loan.	First lien on the item purchased or a mortgage on the farm property. The farmer must also sign a written promise to repay the loan.	Funds are used for major repairs to implements and equipment, construction, repairs of farm buildings, purchase of livestock or additional land, land clearing and irrigation systems as well as for processing, distribution or marketing of farm products.	The farmer may choose to repay the loan at the prime rate plus 1% or at a fixed rate for up to 5 years at the prime rate plus 1% plus one-quarter of 1% for each year (e.g., prime rate plus 2.25% for a 5-year, fixed rate, term loan.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	See above.

TABLE III-21
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT CANADA'S DEPARTMENT OF THE SECRETARY OF STATE
CANADA STUDENT FINANCIAL ASSISTANCE PROGRAM

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Canada Student Financial Assistance Program	The federal government ensures broad access to post-secondary education by providing financial assistance to eligible students with demonstrated financial need.	Students must be permanent residents or Canadian citizens and enroll at an institution that has been designed for the purposes of the program. In addition, students must demonstrate a need for assistance.	This program is designed to allow students to borrow from lenders who would be unlikely to lend to someone who may not have a job, an established credit rating, or collateral.	To pay for tuition, student housing, and other living expenses.	Interest rates are determined by a formula specified in the Canadian Student Loans Regulations and are set each year on August 1. The rates are based on the average yields of Canadian Government bonds over the six months prior to August 1, plus 1%.*	Unemployment, illness, disability, financial hardship.	Guarantees: 303,659

*The Government provides a full interest subsidy while students are in full-time studies.

TABLE III-22
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT INDIAN AND NORTHERN AFFAIRS CANADA
INDIAN ECONOMIC DEVELOPMENT

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Indian Economic Development	Indian economic development.	Recognized Indian tribes or Indians that will operate the business for profit.	Promissory note, an assignment of book debts, a chattel or commercial pledge mortgage of real property.	Farming, new business ventures.	Prime Rate plus 2%.	State of the economy, inflation rate, lack of equity, poor business management, equal opportunity legislation.	Guaranteed: 50
Indian On-Reserve Housing	To provide support to Indian bands and individuals residing in Indian communities located on reserve or Crown land.	Guarantees are available to First Nation for band sponsored projects or to individuals where the band agrees to back the individual in case of default.	Reserves are located on Crown land and as such are non-mortgageable. Thus to secure housing loans, bands and individuals may apply for a Ministerial Guarantee. This guarantee provides security to the lender in the event of a default.	Construction of housing, purchase new homes, renovation and rehabilitations of existing units.	Current market rates.	State of the economy, inflation rate, house price appreciation rates, equal opportunity legislation, interest rates.	N/A

TABLE III-23
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT SMALL BUSINESS LOANS ADMINISTRATION
INDUSTRY CANADA SMALL BUSINESS LOANS

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Business Improvement Loans	To help new and existing small business enterprises obtain term loans from chartered banks and other lenders toward financing the purchase and improvement of fixed assets.	Any small business enterprise operating for profit is eligible for loans under the SBLA program. A small business enterprise is one with an estimated gross revenue not exceeding \$5 million during the fiscal year in which the business loan is approved.	The lender is obliged to take security on the assets financed and may take security on other business assets.	Purchase of land; renovation, improvement, modernization, construction and/or purchase of premises; purchase, installation, renovation, improvement and/or modernization of equipment.	Floating: Prime plus 1.75%. Fixed: 1.75% over residential mortgage rate for the applicable term.*	Stability of the economy, competitiveness of the industry, inflation, poor business management.	Guaranteed: 43,214

*Negotiated by lender and the borrower.

TABLE III-24
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Credit Relief Outreach Program (CROP)	To provide loan guarantees for agricultural production loans.	Borrower must be unable to obtain conventional financing at a standard rate; the borrower must have a debt to asset ratio of 40% or greater and must be able to meet the lender's underwriting standards.	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	Feed, seed, fertilizer, pesticides, land rent, custom hire, animal feed, filing fees, crop insurance, feeder animals, tillage services, equipment rental, equipment repair, utility bills related to commodity production.	It is fixed at 10.5%.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm.	2,004
Contract Loan Guarantee Program	To guarantee loans made by local lenders to assist borrowers in paying for expenses associated with contracts for government agencies or eligible large businesses.	Borrower must have been awarded a contract with a local, state, or federal government agency or business which has a high credit rating and gross annual sales of at least \$10 million; the borrower's business must employ fewer than 25 full-time people and have gross revenues less than \$2,500,000; the borrower's business must be located in a target area or be 51% owned by individuals who are socially and economically disadvantaged.	Same as above.	Expenses necessary to perform duties associated with the contract, including: salaries and wages of employees, inventory needs, necessary working capital.	It is the market rate.	General economic conditions, government cutbacks.	1

TABLE III-24—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Tourism Loan Guarantee Program	To guarantee loans and reduce the interest rate payments for projects which finance the purchase or improvement of existing tourism businesses.	Borrower must: own or be purchasing an existing tourism business; provide daily on site management of the business; own or be purchasing a business that has gross annual revenues of less than \$2,500,000; run a business that employs fewer than 25 full-time people; be unable to finance the project at reasonable terms without assistance from the Tourism Fund.	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	Purchase equipment, purchase and/or improve land or buildings, purchase inventory, and to purchase and make improvements to an existing business.	It is the market rate.	General economic conditions, weather, climate.	1
Agribusiness Loan Guarantee Program	To guarantee loans which assist in the development of new products using Wisconsin's raw commodities.	A borrower is eligible if: <ul style="list-style-type: none"> ● his/her business is developing a new product or improving the method of processing a raw agricultural commodity, or, is developing a new market or improved marketing method for a Wisconsin product, or, is harvesting whitefish from Lake Superior for commercial purposes ● the principal place of operation is in a Wisconsin community populated with less than 50,000 people (does not apply to whitefish harvesting) ● a lender is not willing to finance the project without the backing of the Agribusiness Fund. 	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	To finance working capital or initial product marketing expenses, purchase equipment or inventory, purchase and/or improve land or buildings.	It is the market rate.	General economic conditions, marketing of the new product, trends in consumer preferences.	2

TABLE III-24—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Target Area Loan Guarantee Program	To guarantee loans used to finance businesses in or moving to areas designated by WHEDA as economically distressed "Target Areas."	Borrowers must run businesses located in target areas; the business must create or retain jobs within the target area; the borrower must be unable to obtain financing with reasonable terms in the absence of backing from the Target Area Fund.	Same as above.	Purchase equipment or inventory, purchase and/or improve land or buildings, purchase and make improvements to existing businesses.	It is the market rate.	General economic conditions, inflation rate, other rehabilitation programs in the area.	20
Guaranteed Loans for the Restoration of Taliesin	To guarantee loans for projects to restore Taliesin (the home of Franklin Lloyd Wright).	This was a one time offer so there are no established eligibility requirements.	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	This was a one time offer so there are no set rules as to how funds may be utilized; For the particular guaranteed project, rules on how funds could be utilized were established.	It is the Commercial Paper rate.	General economic conditions.	1
Non-point Source Pollution Abatement Guarantee Program	To guarantee financing for agencies responsible for controlling nonpoint source water pollution.	Must be a landowner or operator; have a debt-to-asset ratio of between 40 and 80%; be located in the Milwaukee River Basin; have a Cost Share Agreement dated after March 19, 1993 that is certified through either the Department of Natural Resources or the Department of Agriculture, Trade and Consumer Protection.	Same as above.	To follow best management practices as authorized in the Cost Share Agreement with the municipality or County Land Conservation Department.	It is the prime rate plus 2%.	General state of the economy, environmental regulations.	0

TABLE III-24—Continued
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Agricultural Chemical Cleanup Guarantee Program	To guarantee financing for borrowers who are engaging in corrective chemical cleanup action approved by the Department of Agriculture, Trade and Consumer Protection (DATCP).	Eligible borrowers must have caused an agricultural chemical to be discharged or have had a chemical discharged on their property; have been requested or ordered to conduct an agricultural cleanup by the relevant authorities; have a debt-to-asset ratio of 40 to 80%; are applying for reimbursement from the Agricultural Chemical Cleanup Program administered by DATCP; have not defaulted on previous WHEDA loans.	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	Funds may be used to pay for the portion of the corrected action that is not covered by DATCP.	It is the prime rate plus 2%.	General state of the economy, environmental regulations.	0
Clean Air Loan Guarantee Program	To assist small businesses in complying with the requirements of the federal Clean Air Act, Wisconsin air pollution control requirements, and local air pollution control programs.	The borrower must be a small business which employs fewer than 51 full-time employees and must be located in an area which does not yet meet requirements.	Same as above.	To purchase or upgrade a business' physical plant, equipment, or machinery to prevent or control air pollution or to pay for costs of less than 5% of eligible project costs.	It is the market rate.	General state of the economy, environmental regulations.	0
Stratospheric Ozone Protection Loan Guarantee Program	To assist businesses comply with the federal Clean Air Act and discontinue using solvents which destroy the ozone layer.	Small businesses which employ fewer than 51 full-time employees are eligible to apply.	There are collateral requirements for these projects, however they are determined by the lender in accord with WHEDA and vary from project to project.	To purchase or upgrade a business' physical plant, equipment or machinery or to enable businesses to eliminate solvents that contain Class I substances; to pay for "soft costs" of less than 5% of eligible project costs.	It is the market rate.	General state of the economy, environmental regulations.	0

TABLE III-25
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE ONTARIO MINISTRY OF AGRICULTURE FOOD AND RURAL AFFAIRS
FARM ASSISTANCE PROGRAMS BRANCH

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
Commodity Loan Guarantee Program	To provide operating credit at competitive rates for the production of eligible crops.	Applicants must be enrolled in crop insurance and have satisfactory credit/financial history.	A first charge security interest in the crop(s) and Crop Insurance; a loan agreement between ACC and the borrower.	To assist with expenses related to crop production.	Best rate obtained by administrator.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	557
Farm PLUS Plan	To provide increased credit for the farming and farm-related borrowing.	Applicants must meet the normal lending requirements of the participating credit union/caisse populaire.	N/A	To establish, expand, modernize or reorganize farm and agri-food operations.	Set by the credit union or caisses populaire.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	75
Private Mortgage Guarantee Program	To assist individuals in obtaining financing for the purchase of farm real estate or refinancing of farm real estate loans.	Borrowers can be sole proprietors, farm partnerships or farm corporations. At the time of application the net worth of sole proprietors must not exceed \$500,000; partners and shareholders must not exceed \$1,000,000. Lenders must be private individuals or their estates.	A first or second mortgage on the farm real estate purchased.	To purchase farm real estate or to refinance existing farm real estate loans with a new private lender.	Negotiated by lender and borrower.	Temperature extremes, natural disasters, insects, new EPA regulations, trade sanctions, management of farm, cyclical pricing of commodities, conditions of the agriculture economy, etc.	1

TABLE III-26
DESCRIPTIVE INFORMATION ON FINANCIAL GUARANTEE PROGRAMS
AT THE GOVERNMENT OF ONTARIO
ONTARIO DEVELOPMENT CORPORATION

Loan Program	Objective	Eligibility Requirements	Security Requirements	How Funds Are Utilized	Determinants of Borrower Interest Rate	Factors Contributing to Defaults	Loans Made in FY 1994
The Development Corporations of Ontario*	To encourage the economic development and diversification of industry, by providing financial assistance of industry, including tourism, to Ontario-based businesses.	Companies involved in the following industries may be eligible: technology-based companies providing services to manufacturers; exporters; and tourist operators. Management strength, past business performance, the competitive nature of the project/product, and the company's ability to repay loans, or increase the value of equity investments, are all critical factors.	Negotiated by lender and borrower.	Business start-ups, expansion of tourist operations, upgrading facilities, capital development, capital financing for export businesses.	The interest rates are competitive with Canadian financial institutions.	Stability of the Economy, competitiveness of the industry, inflation, poor business management.	Guaranteed: 75,427

*The Development Corporations of Ontario consist of four agencies. They include the: Ontario Development Corporations, Eastern Ontario Development Corporation, Northern Ontario Development Corporation, and the Innovation Ontario Corporation.

