



# Timber Production Expansion Guaranteed Loan Program (TPEP)

Rural Business-Cooperative Service & Forest Service

# What is TPEP?

## A Historic Partnership



A first-of-its-kind intra-agency partnership to ensure our timber-dependent rural communities can maximize assistance from USDA.



- Timber Production Expansion Guaranteed Loan Program (TPEP)
  - President's Executive Order 14225, "Immediate Expansion of American Timber Production" and Secretary Brooke Rollins' memorandum to increase timber production.
  - Provides financial support to qualified lenders whose loan applicants want to establish, reopen, expand, or improve a sawmill or other wood processing facility that processes ecosystem restoration byproducts from USDA Forest Service National Forest System lands.

# How Does TPEP Work?

- TPEP will be run through the **OneRD Guarantee Loan Initiative** and has been kept as close as possible – in design & implementation – to the **Business & Industry (B&I) Guaranteed Loan Program**.
- “**First come, first served**” for all applications using selection criteria contained in 7 CFR Part 5001.
- Maximum Loan Amount: \$25 million
- Minimum Loan Amount: N/A
- No Annual or Guarantee Fees
- 90% Guarantee on loans extending up to 30 years
- FY25 Subsidy Rate: 7.54%
- Total: \$20M | Budget Authority: \$16.6M + Overhead: \$3.4M

Funding Available  
**~\$109 million**  
(\$220,159,151.19 Allocated)

# Infrastructure Investment & Jobs Act (IIJA)

## **Sec. 40804(d)3 – Ecosystem Restoration** (Pub. L. 117-58)

This section directs the USDA Forest Service to provide financial assistance to entities seeking to establish, reopen, expand, or improve a sawmill or other wood processing facility that is in close proximity to a unit of USFS National Forest System lands, including Indian forest land or rangeland, that has been identified as **high or very high priority for ecological restoration** and that is using ecological byproducts from the unit of land.

TPEP is a **pilot program** – once funds are expended; more funds from the FS are available for additional rounds (with program adjustments as needed).

# Ultimate Recipients

Entities engaged in or proposing to engage in establishing, reopening, retrofitting, expanding, or improving a **sawmill** or other **wood-processing facility**.

**Wood Processing Facility** means a facility that produces:

- solid wood products (including lumber, posts, and poles),
- engineered wood products (including plywood, veneer panels, and mass timber products),
- biomass energy products (heat, power, combined heat and power, and biochar), and
- fuel products (firewood, wood pellets, briquettes, and liquid biofuels).

# Website Demonstration

- TPEP will be listed on the OneRD Guarantee Loan page but will also maintain its own separate page
  - Includes the Fact Sheet, FAQs, contact information, and...
  - References programs that can be part of a project's capital stack (in addition to TPEP)

<https://www.rd.usda.gov/timber-production-expansion-guaranteed-loan-program-tpep>

# Eligibility

- Applicant:
  - Eligible individuals, organizations, federally recognized Tribes, or businesses engaged – or proposing to engage – in establishing, reopening, retrofitting, expanding, or improving sawmills or other wood processing facilities.
  - Facilities must source a significant amount of raw material from federal or Tribal lands and initially use ecosystem restoration byproducts considered high- or very-high priority for ecological restoration involving vegetation removal.
- Project:
  - Guaranteed loan funds can be used to establish, reopen, expand, or improve a sawmill or other wood processing facility that uses ecosystem restoration byproducts from USDA Forest Service National Forest System lands, along with Indian forest and rangelands.
  - The proposed or already established wood processing facility must be located within 250 miles of the designated high- or very-high priority area from which it will draw its byproducts.

# ArcGIS Map Demonstration

- The U.S. Department of Agriculture's Forest Service developed this dashboard in cooperation with USDA Rural Development. While informative for other purposes, **the dashboard is intended for use by financial institutions to help inform loan application requests based on the need for ecological restoration work.**
- **The map ranks land areas of the country from high to very high priority for restoration work**, including vegetation removal, with respect to addressing wildfire hazard potential and risks of insects and diseases.
- The information supports, in part, the country's focus on ecosystem recovery, as outlined in the IIJA.

# TPEP vs. B&I – How They Differ



TPEP provides a 90% loan guarantee and does not have upfront or annual fees.



Use of guaranteed loan funds must adhere to the TPEP purpose (establish, reopen, expand, or improve a sawmill or other wood processing facility that processes ecosystem restoration byproducts from USDA Forest Service National Forest System lands. Borrower's facility must be within 250 miles of high/very high designated area for ecological restoration.



The borrower must be engaged or proposed to engage in establishing, reopening, retrofitting, expanding, or improving a sawmill or wood processing facility.



Debt refinancing is allowed with certain restrictions.

# TPEP – Servicing

**\*Follow OneRD 5001 regulation for all servicing actions.**

- (a) *Approved Multi-State Lenders.* Lenders will upload all loan guarantee applications and servicing requests, regardless of loan amount to the OneRD Teams Portal.
- (b) *Non Multi-State Lenders.* All other lenders, other than designated Multi-State Lenders, will submit applications to the State Office electronically.

# TPEP Resources

Updated Lender Guide

All 5001 applications documents will include TPEP

TPEP Fact Sheet

TPEP FAQ

# Contact Information

Questions?

1. Use the question portal on the TPEP website.
2. Contact the National Office directly via our [TPEP@usda.gov](mailto:TPEP@usda.gov).
3. Contact the Business Programs Director in your State.

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***Thank you!***



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