


United States Department of Agriculture

Nebraska USDA Farm Service Agency

HOW CAN WE HELP YOU TODAY?

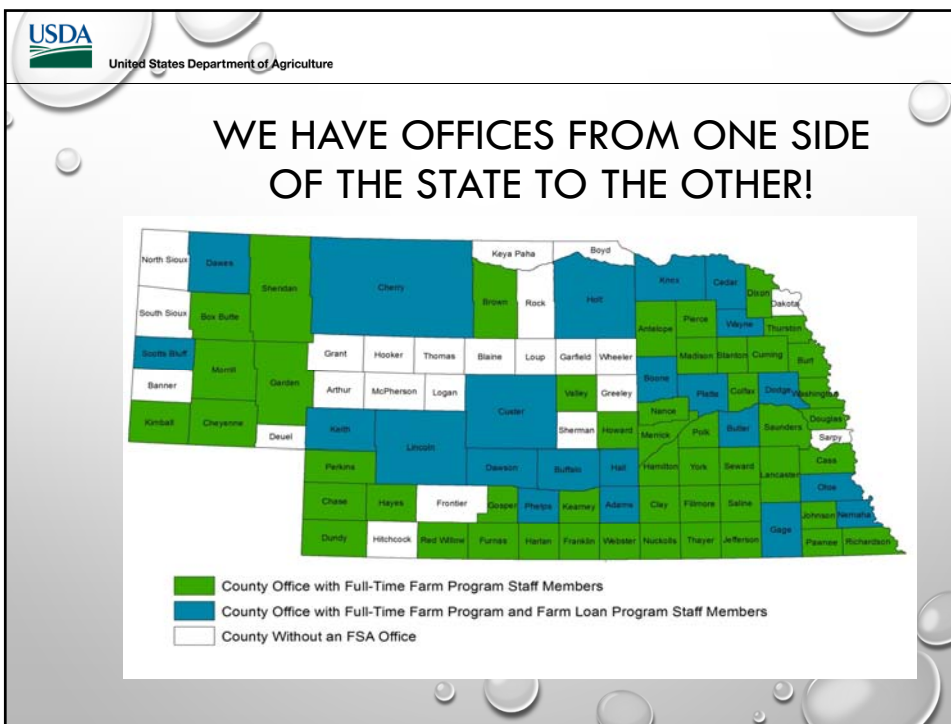
USDA FARM LOAN PROGRAMS AND PROCESS

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WHO IS THE NEBRASKA FSA?




WHAT IS FSA'S MISSION?

- FARM SERVICE AGENCY IS EQUITABLY SERVING ALL FARMERS, RANCHERS, AND AGRICULTURAL PARTNERS THROUGH THE DELIVERY OF EFFECTIVE, EFFICIENT AGRICULTURAL PROGRAMS FOR ALL AMERICANS
- THE FOUNDATION OF FSA'S MISSION AND VISION RESTS UPON THE USDA'S LONG-STANDING CORE VALUES OF:
 - STRONG ETHICS
 - CUSTOMER SERVICE
 - TEAM WORK
 - INCLUSIVE DECISION MAKING
 - FISCAL RESPONSIBILITY



FARM LOAN PROGRAMS

THE LENDER OF FIRST OPPORTUNITY FOR BEGINNING, NEW AND START-UP FARMERS AND RANCHERS, INCLUDING WOMEN AND OTHER UNDERSERVED APPLICANTS; A RESOURCE IN DIFFICULT FINANCIAL TIMES; A TOOL FOR ALL TYPES OF AGRICULTURE



FARM LOAN PROGRAMS

- **DIRECT FARM OPERATING LOAN (OL)**
 - A VALUABLE RESOURCE TO START, MAINTAIN AND STRENGTHEN A FARM OR RANCH
 - LOAN PURPOSES
 - FARM OPERATING EXPENSES (FEED, FERTILIZER, CASH RENT, ETC.)
 - FAMILY LIVING EXPENSES
 - PURCHASE FEEDER LIVESTOCK
 - PURCHASE BREEDING LIVESTOCK
 - PURCHASE FARM MACHINERY & EQUIPMENT
 - REFINANCE CERTAIN FARM-RELATED DEBTS, EXCLUDING REAL ESTATE
 - MAXIMUM LOAN AMOUNT IS \$300,000
 - TERM OF 1 TO 7 YEARS, DEPENDING ON PURPOSE OF LOAN




FARM LOAN PROGRAMS

- **DIRECT FARM OWNERSHIP LOAN (FO)**
 - LOAN PURPOSE
 - BUY A RANCH OR FARM
 - SOIL AND WATER CONSERVATION
 - CONSTRUCT, PURCHASE OR IMPROVE FARM DWELLINGS, SERVICE BUILDINGS OR OTHER FACILITIES ESSENTIAL TO THE OPERATION
 - FO 100% FINANCING (\$300,000 LIMIT, 3.75% INTEREST RATE, 40 YEAR MAXIMUM TERM)
 - FO JOINT FINANCING (\$300,000 LIMIT, 2.5 % INTEREST RATE, 40 YEAR MAXIMUM TERM)
 - BEGINNING FARMER/RANCHER & UNDERSERVED FO DOWN PAYMENT LOAN (\$300,000 LIMIT, 1.5 % INTEREST RATE, 20 YEAR TERM, 5% DOWN PAYMENT REQUIRED)




FARM LOAN PROGRAMS

- **MICROLOANS**
 - FOCUSES ON FINANCING THE NEEDS OF SMALL, BEGINNING FARMER/RANCHER, NICHE AND NON-TRADITIONAL FARM OPERATIONS
 - SIMPLIFIED APPLICATION PROCESS
 - \$50,000 LOAN LIMIT
 - TYPES OF MICROLOANS
 - OPERATING LOAN - 1 TO 7 YEAR TERM
 - FARM OWNERSHIP - 25 YEAR MAXIMUM TERM



FARM LOAN PROGRAMS

- **DIRECT YOUTH LOANS**
 - LOANS TO INDIVIDUAL YOUNG PERSONS TO START AND OPERATE INCOME-PRODUCING AGRICULTURAL PROJECTS OF MODEST SIZE IN CONNECTION WITH THEIR PARTICIPATION IN 4-H CLUBS, FFA, TRIBAL YOUTH GROUP, OR SIMILAR AGRICULTURAL YOUTH ORGANIZATION
 - MAXIMUM LOAN AMOUNT IS \$5,000
 - YOUTH BETWEEN THE AGES OF 10 THROUGH 20 YEARS OLD CAN APPLY
 - REQUIRES A RECOMMENDATION FROM A PROJECT ADVISOR AND PARENT/LEGAL GUARDIAN CONSENT
 - YOUNG PEOPLE APPLYING FOR A YOUTH LOAN ARE PERSONALLY RESPONSIBLE FOR REPAYING THE LOAN



FARM LOAN PROGRAMS

- **GUARANTEED FARM LOANS**
 - HELPS FAMILY FARMERS AND RANCHERS TO OBTAIN LOANS FROM USDA-APPROVED COMMERCIAL LENDERS AT REASONABLE TERMS TO BUY FARMLAND OR FINANCE AGRICULTURAL PRODUCTION
 - WITH A GUARANTEED LOAN, THE LENDER IS FSA'S CUSTOMER, NOT THE LOAN APPLICANT
 - FINANCIAL INSTITUTIONS RECEIVE ADDITIONAL LOAN BUSINESS AS WELL AS BENEFIT FROM THE SAFETY NET FSA PROVIDES BY GUARANTEEING FARM LOANS UP TO 95% AGAINST POSSIBLE FINANCIAL LOSS



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FARM LOAN PROGRAMS

- **GUARANTEED LOANS**

- FARM OPERATING (G-OL)
- FARM OWNERSHIP (G-FO)
- FY 2018 GUARANTEED LOAN LIMIT IS \$1,399,000



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FARM LOAN PROGRAMS

- **EZ GUARANTEED LOANS**

- TO HELP SMALL, NEW OR UNDERSERVED FAMILY FARMERS AND RANCHERS WITH EARLY FINANCIAL ASSISTANCE
- SIMPLIFIED GUARANTEED LOAN APPLICATION PROCESS
- UP TO \$100,000 FOR FARM OPERATING OR FARM OWNERSHIP PURPOSES



BASIC ELIGIBILITY REQUIREMENTS

- BE A US CITIZEN, NON-CITIZEN NATIONAL, OR QUALIFIED ALIEN
- MUST HAVE A SATISFACTORY CREDIT HISTORY
- NOT CONVICTED UNDER STATE OR FEDERAL LAW FOR CONTROLLED SUBSTANCE VIOLATION
- POSSESS LEGAL CAPACITY TO ENTER INTO THE LOAN OBLIGATION
 - 18 YEARS OF AGE OR OLDER
 - MENTAL CAPACITY
 - AUTHORITY TO ENTER INTO A LEGALLY BINDING AGREEMENT

BASIC ELIGIBILITY REQUIREMENTS

- UNABLE TO OBTAIN CREDIT ELSEWHERE AT REASONABLE RATES AND TERMS
- NOT DELINQUENT ON FEDERAL DEBT OR HAVE UNPAID FEDERAL JUDGMENTS
- MUST NOT HAVE FEDERAL CROP INSURANCE VIOLATIONS
- MUST BE THE OWNER/OPERATOR OR OPERATOR OF NOT LARGER THAN FAMILY SIZE FARM

BASIC ELIGIBILITY REQUIREMENTS

- MUST HAVE SUFFICIENT MANAGERIAL ABILITY TO ASSURE REASONABLE CHANCE FOR SUCCESS OBTAINED THROUGH:
 - EDUCATION
 - ON-THE-JOB TRAINING
 - MILITARY TRAINING
 - FARMING EXPERIENCE (OWNER/MANAGER/OPERATOR)
 - 1 YEAR FOR FARM OPERATING LOANS
 - 3 YEARS FOR FARM OWNERSHIP LOANS

THE APPLICATION PROCESS



WHAT WILL YOU BE ASKED TO PROVIDE

- APPLICATION FORMS – VARY BY TYPE OF LOAN REQUEST
- LAST 3 YEARS OF FINANCIAL HISTORY – FARM AND PERSONAL
 - ITEMIZED INCOME AND EXPENSE NUMBERS
 - ITEMIZED CAPITAL PURCHASE INFORMATION
 - RECORDS OF LOANS RECEIVED AND PAYMENTS MADE
- LAST 3 YEARS OF PRODUCTION HISTORY RECORDS
 - YIELDS AND BUSHELS
 - BIRTHING RATES, WEANING RATES, DEATH LOSS, SALE WEIGHTS

WHAT WILL YOU BE ASKED TO PROVIDE

- COPIES OF ANY WRITTEN RENTAL AGREEMENTS OR LEASES
- COPIES OF MOST RECENT CREDIT CARD OR LOAN STATEMENTS
- COPIES OF LAST 2 PAY CHECK STUBS
- COPY OF PURCHASE AGREEMENT ON REAL ESTATE TO BE PURCHASED
- WRITTEN ESTIMATES FOR ANY DEVELOPMENT WORK TO BE COMPLETED
- LAST 3 YEARS OF INCOME TAX RETURNS WITH ALL SCHEDULES
 - STATE AND FEDERAL

I'M READY! HOW DO I GET STARTED?

- MAKE AN INQUIRY TO YOUR LOCAL FARM LOAN PROGRAM STAFF
 - TALK ABOUT WHAT YOUR CREDIT NEEDS ARE
 - PICK UP AN APPLICATION OR HAVE ONE SENT TO YOU
- COMPLETE THE APPLICATION AND RETURN IT TO THE FSA OFFICE WITH ALL ADDITIONAL REQUIRED DOCUMENTS
 - NEED HELP FILLING OUT THE FORMS? WE ARE ALWAYS WILLING TO HELP OUT – JUST NEED TO ASK!!!

WHAT HAPPENS NEXT?

- AN FSA LOAN OFFICIAL WILL REVIEW YOUR APPLICATION AND MAKE SURE THAT WE HAVE ALL NEEDED ITEMS
- AN ELIGIBILITY DETERMINATION WILL BE MADE (REMEMBER THOSE ELIGIBILITY REQUIREMENTS WE TALKED ABOUT BEFORE?)
- A BALANCE SHEET AND CASH FLOW WILL BE PREPARED TO BE CERTAIN THAT YOUR OPERATION WILL BE PROFITABLE WHEN THE NEW CREDIT IS CONSIDERED, ALONG WITH YOUR EXISTING LOANS
- COLLATERAL WILL BE ASSESSED TO BE CERTAIN IT IS ADEQUATE
- IF ALL OF THE ABOVE STEPS ARE POSITIVE, A LOAN WILL BE APPROVED!
- THE APPLICANT ALWAYS REVIEWS AND CONCURS WITH ALL DOCUMENTS BEFORE THE PROMISSORY NOTE IS SIGNED AND MONEY DISBURSED!!!

COSTS AND FEES

- CREDIT REPORT FEE
 - \$16.00 – INDIVIDUAL APPLICANT
 - \$24.50 – MARRIED COUPLE
- LIEN SEARCH
 - \$4.50 PER NAME SEARCHED PLUS \$.50 PER FILING SEARCHED
 - ADDITIONAL FEES FOR JUDICIAL SEARCH FINDINGS
- LIEN FILINGS
 - \$8.00 PER FINANCING STATEMENT

COSTS AND FEES

- TRUST DEED FILINGS (REAL ESTATE MORTGAGES)
 - \$10.00 FOR THE FIRST PAGE
 - \$ 6.00 FOR EACH SUBSEQUENT PAGE
- REAL ESTATE PURCHASE LOANS ARE CLOSED BY AN APPROVED AGENT AND THE FEES ARE DETERMINED BY THEIR FEE SCHEDULE AND ACTUAL COSTS INCURRED
- REAL ESTATE APPRAISALS ARE COMPLETED BY CONTRACTED APPRAISERS AND THE FEE FOR THE WORK IS PAID BY FSA

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FARM LOAN PROGRAMS


- **FARM STORAGE FACILITY LOAN (FSFL)**
 - PROVIDES LOW INTEREST FINANCING FOR PRODUCERS TO ACQUIRE, BUILD, OR UPGRADE PERMANENT OR PORTABLE, NEW OR USED FACILITIES
 - LOAN PURPOSE
 - STORAGE AND HANDLING FACILITIES (I.E. GRAIN BINS, HAY SHEDS, COLD STORAGE)
 - DRYING AND HANDLING EQUIPMENT
 - STORAGE AND HANDLING TRUCKS (EXCLUDES SEMI-TRACTOR TYPE TRUCKS)

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FARM LOAN PROGRAMS


- **FARM STORAGE FACILITY LOAN (FSFL)**
 - ELIGIBLE FSFL COMMODITIES
 - GRAINS, OILSEEDS, PEANUTS, PULSE CROPS, HAY, HONEY, RENEWABLE BIOMASS COMMODITIES, FRUITS & VEGETABLES
 - NEWLY ELIGIBLE FSFL COMMODITIES: AQUACULTURE, FLORICULTURE, HOPS, MAPLE SYRUP, MEAT, MILK/POULTRY (UNPROCESSED), RYE, BUTTER, CHEESE, EGGS, YOGURT





FARM LOAN PROGRAMS

- **FARM STORAGE FACILITY LOAN (FSFL)**
 - LOAN LIMIT IS \$500,000 PER LOAN
 - MAXIMUM LOAN AMOUNT FOR STORAGE AND HANDLING TRUCKS IS \$100,000
 - 15% DOWN PAYMENT REQUIRED
 - LOAN TERMS VARY FROM 3 TO 12 YEARS
- **FSFL MICROLOAN**
 - AGGREGATE LOAN BALANCE UP TO \$50,000
 - 5% DOWN PAYMENT REQUIRED



QUIZ TIME...

- FSA STRIVES TO HELP FARMERS AND RANCHERS – FROM YOUTH LOANS TO BEGINNING FARMERS TO TRADITIONAL FARMERS TO DISTRESSED FARMERS
- OUR PROGRAMS PROVIDE MANY OPPORTUNITIES
- **TAKE A LOOK AT THESE NEXT SLIDES AND TELL ME IF YOU COULD GET AN FSA LOAN FOR THESE PURPOSES.**

LIVESTOCK PRODUCTION?



BUILDINGS?



BOATS? CAMPERS? MOTORCYCLES?



FRUIT AND VEGETABLE PRODUCTION?



CONSERVATION WORK?



NON-ESSENTIAL ASSETS?



FARM OPERATING EXPENSES?



**DIESEL
FUEL**

Lease Agreement
A lease agreement is a contract between a lessor and a lessee to pay the lessor for a term rental agreement is a contract that identifies the leased asset and the terms under which the asset is to be used.



MACHINERY AND EQUIPMENT?



4-H, FFA, AND TRIBAL ORGANIZATION PROJECTS FOR YOUTH?



SPECIALIZED OPERATIONS?



GRAIN BINS? TRAILERS? GRAIN LEGS?



OFF FARM BUSINESSES?



REAL ESTATE?



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QUESTIONS



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CONTACT INFORMATION

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ADDITIONAL HANDOUTS AND RESOURCES CAN BE FOUND AT
THE FOLLOWING WEBSITE:

[HTTPS://WIA.UNL.EDU/HANDOUTS](https://wia.unl.edu/handouts)