HOW CAN WE HELP YOU TODAY?
USDA FARM LOAN PROGRAMS AND PROCESS

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WHO IS THE NEBRASKA FSA?
WE HAVE OFFICES FROM ONE SIDE OF THE STATE TO THE OTHER!

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

• 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
FARM LOAN PROGRAMS

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

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 applicants 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
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)

• 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 the lessor (owner) and lessee (user) to pay the lessor for the use of an asset. It is a short-term rental agreement that identifies the leased asset and the terms under which it 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?

QUESTIONS
CONTACT INFORMATION

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ADDITIONAL HANDOUTS AND RESOURCES CAN BE FOUND AT THE FOLLOWING WEBSITE:
HTTPS://WIA.UNL.EDU/HANDOUTS