

Farm Service Agency



Farm Loan Programs

Farm Loan Programs

General Eligibility Requirements

- Unable to obtain financing from conventional lenders
- Owner/operator of family sized farm
- Cannot have caused a loss to the government (some exceptions)
- Have adequate managerial ability
- Have good credit

Loan Programs

- Direct Loans

- FSA makes and services direct loans and provides supervised credit
- Funds come from the U.S. Treasury

- Guaranteed Loans

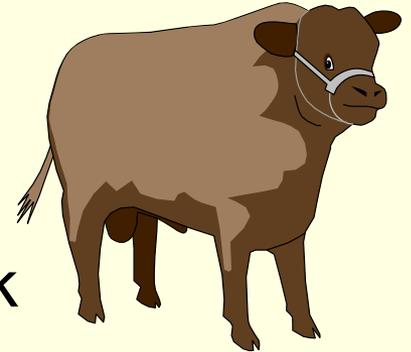
- The lender makes and services the loan
- FSA guarantees loans made by conventional lenders for up to 95 percent of any loss

Operating Loans

Term Installment Loan

- Purposes:
 - Purchase Equipment
 - Purchase Breeding Livestock
 - Refinance operating expenses (other than FSA)

- Farm Operating Loans are repaid in 2 to 7 years



Operating Loans

Annual Operating Loan

- Purposes:
 - Purchase Crop Input Supplies
 - Purchase Feeder Livestock
 - Purchase Livestock Feed
 - Family Living Expenses
- Farm Operating Loans are repaid in 1 year

Operating Loans

Youth Loans

■ Program Requirements

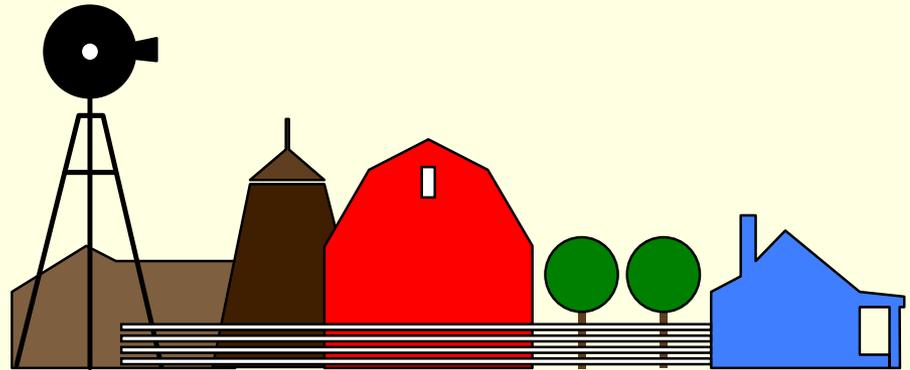
- Students over 10 yrs. old and under 21
- Project complementary to membership in organization or club (FFA, 4-H, etc.)
- Must be recommended and supervised by club advisor and parents
- Live in rural area or town of less than 50,000 population
- Project is agricultural in nature

Farm Ownership Loans

- Farm ownership loans can be repaid in up to 40 years

- Loan Purposes:

- Purchase Land
- Make Capital Improvements
- Promote Soil and Water Conservation
- Loan closing and related expenses



Farm Ownership Loans

Down Payment Loan Program

- Exclusively for beginning farmers and socially disadvantaged applicants
- Unique interest rate and terms
 - Borrow 50% from Bank (normal rate, 30yr term)
 - Borrow 45% from FSA (1.5% rate, 20yr term)
 - Provide 5% cash downpayment
- SDA not limited by acreage restriction

Emergency Loans

- **Used for real estate and operating purposes where a disaster or quarantine has been declared**
- **Purposes:**
 - **Refinance debts**
 - **Repair/replace farm property**
 - **Buildings**
 - **Machinery/Livestock**
 - **Feed**
 - **Other items**

Guaranteed Loans

- Guaranteed loans are:
 - Made and serviced by local agricultural lenders
 - Funded by the lender
 - Often used to help lenders continue with customers who have experienced setbacks

Guaranteed Loan Purposes

- Operating Term Loans
- Annual Operating
- Farm Ownership

Loan Limitations

- **Direct FO - \$300,000**
- **Direct OL - \$300,000**
- **Direct OL
Youth - \$5,000**
- **EM \$500,000
(or amount of loss,
whichever is lower)**
- **Guaranteed:
Combined G-FO
and G-OL cannot
exceed \$1,094,000
(changes annually
based upon
“Prices Paid by
Farmers” index
calculated by
USDA-NASS)**

Priority Applicants

- Socially Disadvantaged Farmers
- Beginning Farmers

Socially Disadvantaged Applicant (SDA)

As defined by law, an SDA applicant is one who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as a member of a group, without regard to their individual qualities.

SDA groups are African Americans, American Indians, Alaskan Natives, Hispanics, Asians, Pacific Islanders, and Women.

Beginning Farmer Applicant

- Has had their own farming operation for 10 years or fewer
- If requesting loan to purchase land, they must not presently own land in excess of 30% of the median farm size in their county.
 - Based on 2007 Ag Census Data

Where Do We Apply?

Direct Loans

- Applications for direct loan assistance may be submitted to the FSA local office serving the area where the operation is located
- Local FSA offices are listed in the telephone directory under U.S. Government, Department of Agriculture, Farm Service Agency
- Applications, other forms, Office locations are available online at: www.fsa.usda.gov

Where Do We Apply?

Guaranteed Loans

- For guaranteed loans, applicants must apply to a commercial lender who participates in the Guaranteed Loan Program
- Local FSA offices have lists of participating lenders

Missouri's Portfolio

- 2300 Direct Borrowers - \$178 million
- 1100 Guaranteed Borrowers - \$300 million
- 1033 loans made in Fiscal Year 2008 - \$133 million

Need More Information?

- Contact the Local FSA Office
- Visit the FSA Website:
www.fsa.usda.gov
- Call National Helpline toll-free at
1-866-538-2610