

America's Lender of First Opportunity!

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USDA/Farm Service Agency

Central Coast farm loan team



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Farm Loan Programs available

- **Direct Loans**

- Farm Ownership (*FO*)
- Operating (*OL*)
- Microloans (*ML*)
- Emergency (*EM*)

- **Guaranteed Loans**

- Area Ag Lenders can pursue an FSA guarantee to manage their risk for both *FO* and *OL* loans.



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Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$600,000	<ul style="list-style-type: none"> • Rate based on agency borrowing costs • Term up to 40 years <p><i>Currently 5.375%</i></p>	<ul style="list-style-type: none"> • Acquire/enlarge a farm • Purchase, Improve or build a farm structure. • Soil and Water conservation • Pay closing costs
Direct Farm Ownership (FO) <u>Joint Financing</u> Other Lender required	\$600,000	<ul style="list-style-type: none"> • Direct FO rate less 2% with a floor of 2.5%. <p>Lender - minimum of 50% total financing.</p> <ul style="list-style-type: none"> • Term up to 40 years <p><i>Currently 3.375%</i></p>	Same as Direct FO
Direct Farm Ownership Program (FO) <u>Down Payment</u> Other Lender required	<p>The lesser of:</p> <ul style="list-style-type: none"> • 45% of the purchase price, • 45% of the appraised value, • \$667,000 max 	<ul style="list-style-type: none"> • Rate is direct FO rate less 4% - floor of 1.5% • FSA Term of 20 years • Down payment of 5% <p>Lender-amortization of 30yrs min. & no ballon within first 20yrs</p>	<ul style="list-style-type: none"> • Purchase of farm by a beginning (10 years or less) or underserved farmer or Veteran farmer <p><i>Currently 1.50%</i></p>

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Program	Maximum Amount	Rates and Terms	Use of Proceeds and Microloan eligibility
Direct Operating (OL)	\$400,000	<ul style="list-style-type: none"> • Rate based on agency monthly borrowing cost • Term from 1 to 7 years <p><i>Currently 4.875%</i></p>	<ul style="list-style-type: none"> • Purchase livestock, poultry, equipment, and other farm operating expenses • Minor real estate repairs • Refinance farm-related debts to improve profitability
Direct Operating and/or Farm Ownership Microloan (ML)	\$50,000 total for each if done separately or total of both loan types together	<ul style="list-style-type: none"> • Rate based on agency borrowing cost for both • Term from 1 to 7 years for OL's • Term up to 25 years for FO's <p><i>Currently 4.875%</i></p>	<p>Same as Direct OL or FO</p> <p>*Note* Applicants for FO's need to have 3 years of farm experience out of the last 10 prior to the date of the application being submitted. OL's – some farm experience needed but can substitute prior business experience, completed apprenticeship or mentorship during 1st crop cycle.</p>

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Application Overview

<i>Checklist</i>	
Application	Narrative describing operation
Federal tax returns – 3 years	Farm Training & Farm Experience
Production history – 3 years, if available	Verification of hazard / liability & crop insurance
Income & Expense projection for upcoming crop cycle	If Entity, organizational /operating documents
Current financial statement	Credit report fee
Leases, marketing agreements/contracts	Property owned and leased description
Family Living Expenses	Verification of Non-Farm Income
Highly erodible land and wetland conservation compliance	If annual (12-24 months) <i>OL</i> – projected <i>monthly</i> farm income & expenses

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**San Luis Obispo, Santa Barbara
& Ventura Counties:**

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