

USDA



Farm Service Agency

FSA Farm Loan Programs

“Your Lender of First Opportunity”

FSA - Your Lender Of First Opportunity

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,112,000. Producers are encouraged to apply early so that a loan can be processed and funded in a timely manner.

FSA employees will help you complete the necessary application and other forms, and help you understand what information is required, where to find it or who to contact to get it. Let FSA be your Lender of First Opportunity!

Your Stevens County FSA Personnel

Will Schnittker
Farm Loan Manager

Jim Murray
Farm Loan Officer

Marilyn Martin
Program Technician

Sharon Davis
Program Technician

Contact us at

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USDA Announces Loan Program for Natural Resource Conservation

USDA-FSA announced a new Conservation Loan Program to promote conservation on farms and ranches throughout the US to conserve our natural resources. CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; establishment of grass cover crops and CRP grasses and other management practices, terraces, establishment or improvement of permanent pastures and fences, manure management; and the adaptation of other emerging or existing conservation practices. New or existing conservation plans must be NRCS approved before FSA can provide financing.

Those interested may apply for direct CLs up to the \$300,000 loan limit. Interest rates on direct CL will be 4.375% for loans approved in September. In addition, guaranteed CLs up to \$1,112,000 are available from lenders working with FSA to obtain a guarantee. Interest rates on guaranteed CL may not exceed the rate charged the lenders average farm customer.

Terms will vary and will be based on the life of the security offered, but not to exceed 20 years for real estate security and 7 years for chattel property. CL's must be fully secured and can only be approved for those who have the ability to repay them.

Applicants are not required to be denied credit at a bank meaning most producers can qualify for assistance. For those applicants with a strong financial position, paperwork requirements can be significantly reduced. To submit a streamlined CL application, the applicant must; have a debt to asset ratio of 40% or less; have a minimum FICO score of 700; have a net worth of at least 3 times the loan amount; and not have received FSA primary loan servicing within the past 5 years.

For more information about this new loan program contact Jim Murray or Will Schnittker at the Hugoton FSA office.

GET YOUR APPLICATIONS IN EARLY

Operating Loan Applications Needed Now

Farmers that plan to apply to the Farm Service Agency for annual operating loan assistance this year are encouraged to apply as soon as possible to get loans funded by September 30. The earlier an application for loan assistance is filed, the quicker the FSA staff can process your request. In addition, due to budget constraints, farmers that wait until later in the year to apply, often run the risk of finding out that our funding allocations have been utilized already. Farmers should also contact their FSA Farm Loan Manager or Officer for information as to what is required in order to have a complete loan application on file. Decisions on loans can not be made until a complete application is received.

Farm Ownership Loans Available

Farmers and ranchers that intend to apply to the Farm Service Agency for Farm Ownership loans are encouraged to file their applications to get loans funded before September 30. Filing early will help ensure that your loan is processed and approved as early as possible so that planting decisions can be made. Contact Marilyn Martin or Sharon Davis for more details and assistance in applying.

Beginning Farmer & SDA Loans

FSA has a program to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30% of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

IMPOTANT FARM PROGRAM NEWS

SURE DEADLINE

A deadline of September 30, 2010 has been announce on the 2008 SURE program. SURE is the new crop disaster program that the 2008 Farm Bill announced. For producers to be eligible for SURE benefits, they would have had to have crop insurance on all acres they farmed in 2008. The FSA office gets a download from RMA that shares the crop insurance data entry based on the losses that occurred in 2008. Therefore the producer does not have to provide any documentation.

To be eligible for benefits, the producer has to request benefits **BEFORE** September 30, 2010. IF the producer or landowner has not contacted the county office, an application will not be ran.

Rural Youth Loans

With fair season over, it's not too early to start thinking about next years 4-H or FFA animal projects. The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Call or stop by the county office to pick up this easy 1 page application form.

FARM LOAN HELPFUL HINTS

We know that as farms get larger and you get busier that it is sometimes hard to make time to come visit us at the Stevens County FSA, so here are some helpful hints to help you save time.

Ways to submit your FSA loan payments

There are several ways you can make your FLP loan payments.

- ◆ Mail payment directly to Stevens County FSA Office
- ◆ Drop payment off at Stevens County FSA office
- ◆ Drop payment off at your local county FSA office

Picking up and filling out a Loan Application

- ◆ Pick up an application at the Stevens County Office
- ◆ We can e-mail you a complete application
- ◆ Get application off the web at www.fsa.usda.gov.

September Interest Rates

Direct Operating Loans

2.375%

Youth Loans

2.375%

Farm Ownership Loans

4.375%

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