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Vol. 10

A bi-monthly update of  
important upcoming events

April 10, 2009

Farmer Mac is the Congressionally-chartered secondary market for agricultural real estate, rural housing and rural utilities loans as well as many USDA guaranteed loans. The Almanac communicates important upcoming events and announcements to agricultural lenders. You can receive answers to your questions about Farmer Mac via [opportunities@farmermac.com](mailto:opportunities@farmermac.com) or by calling 800-879-3276.

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***Farmer Mac Embraces Risk Profile Changes in the Mortgage Industry***

Credit Score Qualification Minimums

As a purchaser of high quality agricultural mortgage loans, Farmer Mac has closely monitored industry loan performance during this stressful time, with one result being an increase to the credit score qualification hurdles. Linking risk to the price applicants pay for credit results in customers requesting a Farmer Mac I Farm and Ranch loan needing to meet higher credit score requirements. Effective May 1, 2009, new minimum credit score requirements will be as follows:

- 680 for all Farmer Mac I Farm and Ranch loans submitted as full-documentation loans (formerly 660). Exceptions may be granted in certain cases as specified in Chapter 202.1.
- 700 for Fast Track I loans (formerly 680).
- 720 for Fast Track II loans (formerly 700).
- 640 for Farmer Mac III loans (formerly 620).

More Information Required for Loans Subject to Abbreviated Underwriting

Beginning May 1, 2009, Farmer Mac will require a copy of the most recent tax return for all applicants and guarantors applying for a Fast Track I loan. It is expected that the tax return will sufficiently demonstrate the operation's viability, reasonably demonstrating total debt coverage of approximately 1:1.

There are no other changes to the underwriting documentation needed for other forms of underwriting.

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***Collateral Valuation Change Recognizes Current Real Estate Market Volatility***

Collateral evaluations are popular with Farmer Mac I Sellers because they often can be completed quickly and reduce costs. Beginning May 1, 2009, Farmer Mac will require the collateral's current assessed value, and the year of reassessment, for all evaluations. Farmer Mac Evaluation Form 1021 has been updated to accommodate this information with the updated form being attached to this communication.

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***Web-Based Loan Origination System to Replace Fast Track I Time Saver***

Fast Track I TimeSaver was implemented as a bridge toward a more robust web-based loan origination process, which is moving along quickly in development. Meanwhile, many Sellers move information to Farmer Mac electronically, and that supersedes the use of TimeSaver.

As Farmer Mac works through the finishing stages of a web-based loan origination program for all loans, the Fast Track I TimeSaver will be dropped from the Farmer Mac website beginning May 1, 2009.

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