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Vol. 14

A bi-monthly update of  
important upcoming events

December 4, 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 by calling 800-879-3276, accessing the Quick-tip Videos through a link on the homepage of the Farmer Mac website ([www.farmermac.com](http://www.farmermac.com)) or via [Opportunities@farmermac.com](mailto:Opportunities@farmermac.com).

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### ***Farmer Mac's "Road Shows" Treated Attendees in Ten States***

After receiving enthusiastic response from the 500 attendees of the September sessions, Farmer Mac added three more road shows in November bringing the total number to eighteen offered across ten states. While the primary interest for most attendees was to learn more about Farmer Mac's new AgPower<sup>®</sup> Loan Origination System (LOS), other popular topics were examples of recent Farmer Mac loan purchase transactions and a review of popular loans products and current pricing conditions.

The Farmer Mac Road Shows have become a staple in the ag lending community as a way to stay abreast of ag financing topics and Farmer Mac programs. Attendees reported the sessions were an excellent opportunity to meet Farmer Mac staff and to visit with other farm lenders in the area. For lenders who missed the sessions, Farmer Mac offers free webinars by request.

The 2010 Road Show venues will be selected soon. Please contact Farmer Mac with site suggestions near you.

### ***Farm Service Agency (FSA) Stakeholders Conference Highlights Importance of USDA Guaranteed Loans***

Farmer Mac was a sponsor and presenter at the FSA Stakeholders Conference held in San Antonio, TX on November 14, 2009. The annual conference, which dates back more than a decade, attracted over sixty attendees including major producers of FSA guaranteed loans, Preferred Lender Program (PLP) lenders and USDA national, regional and state employees. The goal of the conference: improving the flow of credit to farmers and ranchers. The agenda was set by the attendees themselves who completed a short survey about potential topics prior to the meeting.

Farmer Mac's presentation highlighted Farmer Mac II, designed specifically for the purchase of the guaranteed portions of USDA guaranteed loans. Patrick Kerrigan, Director of Business Development, reported that Farmer Mac II volume is approaching \$1.2 billion, with significant increases in purchases beginning early in 2008. Kerrigan expects the volume numbers to persist in light of the declining rate environment and the \$1.7 billion in "special" Business and Industry guaranteed funding built into Congress' economic stimulus package enacted in February 2009.

John Blanchfield, Senior Vice President of the American Bankers Association who played a key role in promoting the conference, reported "We covered a wide range of issues, and we resolved to keep up the dialogue. I think the biggest take-away from the meeting was a renewed sense of purpose and a renewed understanding that the Farm Service Agency Guaranteed Farm Loan program is a true public-private partnership and one of the most successful credit programs offered by the U.S. government. At the end of the day, farmers get the credit they need and that is what the program was designed to do."

(Insert Farmer Mac II Volume graph)

### ***Farmer Mac Implements Change in Evaluation Guidelines Beginning January 1, 2010***

Collateral evaluations are de minimis appraisals reported by an evaluator rather than an appraiser. Financial institutions are governed by regulations that are very prescriptive in how evaluations are to be completed, and Farmer Mac expects conformance to those regulations.

Farmer Mac allows evaluations for loan requests up to \$500,000 and when the pro forma LTV does not exceed 55%. Because collateral evaluations are not designed to involve properties with complex considerations, beginning January 1, 2010, Farmer Mac will allow them to be used only when the proposed real estate collateral consists of bare agricultural land (irrigated properties are permissible) with no permanent plantings or other agricultural-use improvements such as dwellings, outbuildings or specialized facilities. Prior to January 1, 2010, properties with permanent plantings and with improvements representing no more than 40% of the total property value were permissible.

### ***Farmer Mac's Web-Based AgPower® Loan Origination System (LOS) Is Being Well Received by Farmer Mac Sellers***

Farmer Mac Sellers have responded very positively to Farmer Mac's new web-based AgPower® Loan Origination System (LOS). Comments have been favorable and the numbers of loan submissions are exceeding those of prior years. Sellers wishing to preview the system may listen to a recorded webinar available at the Farmer Mac website, [www.farmermac.com](http://www.farmermac.com) (see Recorded Webinars on homepage). Brief webinars highlighting specific features of the web-based system will be added to the website soon.

***Did You Miss the Fall Webinars? Listen at [www.farmermac.com](http://www.farmermac.com)***

As lenders prepare for the upcoming ag lending season, Farmer Mac offered its 2009 Fall Webinar Series. Recordings of each 30-minute session are available on the Farmer Mac website. The topics are listed below. To listen, simply click on "Recorded Webinars" (see the lower right portion of Farmer Mac's homepage).

- Farmer Mac I Farm and Ranch Loan Program: Learn how to effectively communicate each of the Farmer Mac I Farm and Ranch products to your customers, helping them select the rate and terms that are right for them. Recorded October 14.
- Farmer Mac II Program: Learn how to offer a variety of competitively priced loan rates to customers using the USDA guaranteed loan program (Farm Service Agency and Rural Development). With ag producers facing shrinking farm income, USDA Rural Development guaranteeing stimulus dollars budgeted in the American Recovery and Reinvestment Act, 2010 may result in the biggest year yet for USDA guaranteed loans. Recorded October 21.
- Farmer Mac III Underwriting Option. Learn how you can reach out to an expanded customer base by offering a piggy-back loan structure to your farm and ranch customers. Recorded October 28.
- LTSPC Product Review. Learn about the Long-Term Standby Purchase Commitment Program (LTSPC) which is a useful portfolio management tool for Farmer Mac Sellers who are looking to reduce credit risk and commodity risk while freeing up capital for their institution. Recorded November 4.

***Farmer Mac's Customer Response and Opinion Panel Meets at Farmer Mac Offices in Washington, DC***

Meeting in person for the first time, members of Farmer Mac's Customer Response and Opinion Panel (CROP) were able to free up their calendars to gather in Farmer Mac offices in Washington, DC in early October to meet Farmer Mac staff, receive reports from the various Farmer Mac departments and get an update on Farmer Mac programs.

CROP members help maximize the value that Farmer Mac products present to the rural lending community by providing feedback about the features and benefits of those products and reporting on ag credit conditions in their areas of coverage. In addition to hearing from Farmer Mac staff, the CROP members met with representatives of the American Bankers Association and USDA.

***Farmer Mac Celebrates Its 20<sup>th</sup> Year of Participating in the ABA National Agricultural Bankers Conference***

As a Gold Level Sponsor, Farmer Mac played an important role at the ABA National Agricultural Bankers Conference in San Antonio, TX, November 15-18.

2009 marked the twentieth year Farmer Mac has participated in the conference, becoming an annual Gold Sponsor as a result of the ABA/Farmer Mac Alliance that came into being when it was announced in Des Moines in November of 2005.

Farmer Mac's Tuesday afternoon workshop, draw about sixty attendees, was titled "Focus on Opportunities for Success: See Your Bank's Ag Lending Future Through Farmer Mac's Camera" and featured video clips highlighting Farmer Mac Sellers describing their use of Farmer Mac programs. These video clips have now been posted on Farmer Mac's [YouTube](#) channel and provide an interesting perspective into why ag lenders take advantage of the Farmer Mac programs.

***Reminder: ACH Payment Service Can Be Set Up for Farmer Mac Loans***

ACH services are a convenient way for customers to make Farmer Mac loan payments from their personal hometown bank accounts. Bank accounts are debited on the payment due date avoiding the need for customers to open envelopes, write checks and mail payments. Sellers are reminded that Farmer Mac I Farm and Ranch program loan payments can be set up on the ACH payment system. Sign-up is handled by Central Servicers.

***Receive Daily Farmer Mac I Rates Via Email***

No need to log in to the Farmer Mac website to check rates each day. Farmer Mac Sellers in good standing have the option to receive rates via email at posting time every day. To begin receiving this service:

Log in to your Farmer Mac account

Select "My Profile"

Click on the box that says "Please email me the daily Farmer Mac I rates"

Click on "Update"