



Vol. 2 A monthly update of important upcoming Farmer Mac events January 4, 2007

Farmer Mac is the secondary market for agricultural real estate and USDA guaranteed loans. The Almanac communicates important upcoming events and announcements to agricultural lenders. Questions about Farmer Mac can be answered through calling Farmer Mac at 800-879-3276 or by using the email hotline at [Opportunities@farmermac.com](mailto:Opportunities@farmermac.com).

<b>JANUARY</b>							<i>Join Farmer Mac at the following events.</i>
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
		1	2	3	4	5	
6	7	8	9 CROP GROUP WEBINAR	10 IN AG LEADERSHIP	11	12	
13	14	15	16	17	18	19	
20	21	22	23 2 <sup>ND</sup> ANNUAL ETHANOL FINANCE AMERICAS CONF	24 2 <sup>ND</sup> ANNUAL ETHANOL FINANCE AMERICAS CONF	25	26	
27	28	29	30	31			

<b>FEBRUARY</b>							<i>Join Farmer Mac at the following events.</i>
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
					1	2	
3	4	5	6	7	8	9	
10	11	12	13	14	15	16	
17 ABA NATL CONF FOR COMMUNITY BANKERS	18 ABA NATL CONF FOR COMMUNITY BANKERS	19 ABA NATL CONF FOR COMMUNITY BANKERS	20 ABA NATL CONF FOR COMMUNITY BANKERS	21	22	23	
24	25	26	27 GA AGRI-LEADERS FORUM FOUNDATION	28 GA AGRI-LEADERS FORUM FOUNDATION	29 GA AGRI-LEADERS FORUM FOUNDATION		

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1/9:	Farmer Mac CROP Group Webinar (Customer Response and Opinion Panel)
1/10:	Farmer Mac presents to the Indiana Ag Leadership foundation class in Hammond, IN
1/23-1/24:	2 <sup>nd</sup> Annual Ethanol Finance Americas Conference
2/17-20:	ABA National Conference for Community Bankers – Farmer Mac sponsorship and presentation in Orlando, FL
2/27-29:	Georgia Agri-Leaders Forum Foundation – Farmer Mac presentation to group visiting Washington DC

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### ***Second Issue for Farmer Mac Almanac***

Farmer Mac Almanac is a new bi-monthly communication focusing on products, pricing and other promotional information. Technical and legal announcements will continue to be announced through Seller Bulletins.

### ***Farmer Mac I Full-Time Farm Loan Amount Increased to \$9 Million***

Effective immediately, the maximum loan amount for Farmer Mac I Full-Time Farm loans has been increased to \$9 million (formerly \$7.9 million) if the loan is secured by more than 1,000 acres. The maximum loan size for loans secured by 1,000 acres or less remains at \$22.5 million.

### ***Farmer Mac Mission Fulfillment Comes in Many Forms-Reintroduction of a Field Servicing Cap***

Farmer Mac makes every effort to bring the most competitive loan products available to farmers and ranchers. Therefore, effective January 15, 2008, a cap on Farmer Mac I Full-Time Farm field servicing fees will be restored. The new cap will be 150 basis points.

### ***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 post-time every day. To begin receiving this service:

- Log in to your Farmer Mac account.
- Select “My Profile.”
- Click on box that says “Please email me the daily Farmer Mac I rates.”
- Click on “Update.”

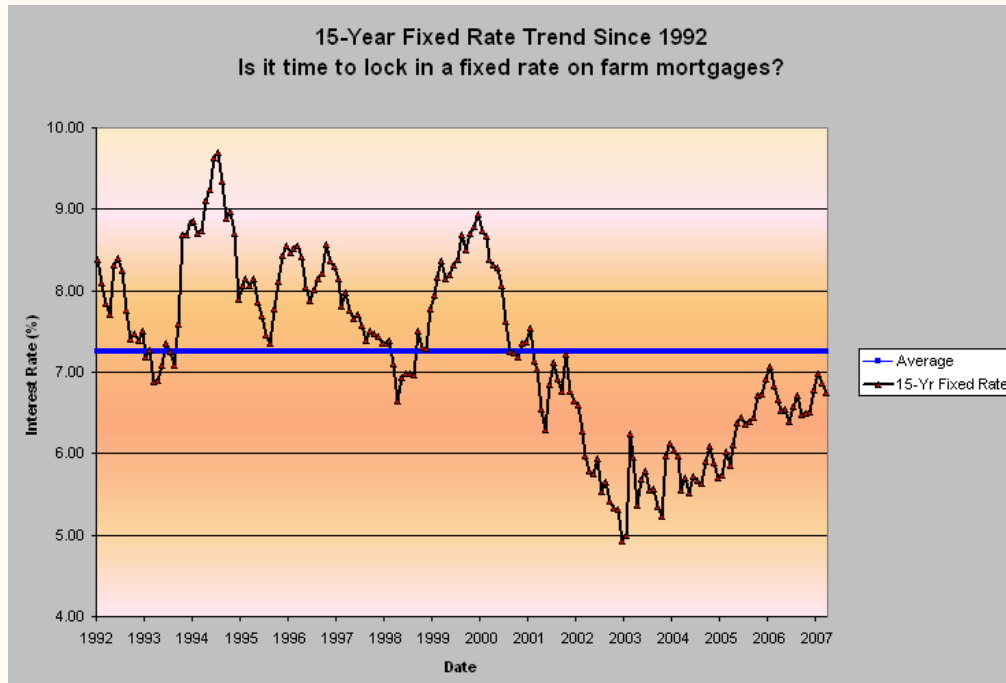
### ***New AgEquity Product Priced at 6.10%***

AgEquity is a multi-year revolving line of credit loan secured by a first mortgage on eligible agricultural real estate. Borrowers have access to available funds and can borrow and repay funds as often as they like prior to the end of the draw period. The draw period will be either five or ten years, with a loan term of up to thirty years. See the rate posted on the Farmer Mac I Full-Time Farm rate sheet.

### ***Ag Lenders Encouraged to Avoid the Adjustable Rate Mortgage Trap***

A glance at the historical 15-year fixed rate says it all. Locking in long-term interest rates could very well pay off in the long run. So states Denny Everson, President of Agri-Business, First Dakota National Bank, as he talks to his farm customers in his bank’s AgriVisions newsletter.: “As agriculturists, we may consider ourselves immune to the subprime loan fiasco -- not so. We need to learn from the mistakes in the subprime playbook and not go for the lowest TEMPORARY interest rate when buying

or refinancing farm or rural real estate. If you are waiting for interest rates to drop before locking in your rates, consider yourself a risk taker. The agricultural recession of the 1980s centered around agricultural producers not being able to afford high interest rate real estate loans. At the time, cash flow was not the initial problem; it was, however, the ultimate result of these escalating rates.”



### ***Check Out AgVantage as a Liquidity Backstop***

Farmer Mac’s AgVantage Program provides lenders with a simple, flexible source of liquidity without requiring the sale or participation of agricultural mortgage loans. The AgVantage Program offers lenders the opportunity to turn their portfolios of agricultural mortgages into a ready supply of long- or short-term cash to support additional lending activity by:

- Selling AgVantage mortgage-backed bonds directly to Farmer Mac;
- Pledging qualified agricultural mortgage and rural development loans as collateral for AgVantage bonds;
- Receiving long-term lendable funds at low fixed or variable AgVantage bond rates; and
- Funding loans without the sale of the mortgages.

The AgVantage Program is currently available to approved Farmer Mac Sellers. Please contact Farmer Mac’s marketing department for more details at 800-879-3276.

### ***Reminder: New Address and Phone/Fax Numbers for Iowa Underwriting Office***

The new Iowa contact information:  
1517 N. Ankeny Blvd, Suite E  
Ankeny, IA 50021  
Phone: 515-322-1408  
Fax: 515-964-0693  
Toll-free phone (unchanged): 866-452-2617

### ***New Farmer Mac Video Can Be Viewed on the Farmer Mac Website***

A fast-moving 12-minute Farmer Mac video is an excellent way to “see” what Farmer Mac is all about. Featured in the new video are Mike Juergens and Mark Rickels, both senior underwriters in the Farmer Mac Iowa office. Testimonials from

two active participants, Jeff Wolfgram (First Dakota National Bank in South Dakota) and Pat Hogrefe (American Trust and Savings Bank in Iowa) provide insight into the benefits they derive from their experiences with Farmer Mac. To view the video, visit the Farmer Mac website, [www.farmermac.com](http://www.farmermac.com). Click on the words Corporate Video (see right side of homepage screen.)

***REMINDER: Evaluations Permitted for Loans up to \$500,000***

As announced previously, the threshold for loan size where Evaluations are permitted for Farmer Mac I Full-Time Farm loans has been increased from \$300,000 to \$500,000. Evaluations are allowed on those loans where the loan-to-value ratio is no more than 55%. Typically, a collateral evaluator will be a member of the Seller's lending staff who has appraisal experience, but is not a state-licensed or certified appraiser. Evaluations save time and money for both the Seller and the customer. Form 1021 Evaluation Report is available for use by Sellers without a form of their own.

***Document Preparation Services Update***

We have received many inquiries from Sellers regarding the recently launched document preparation services. Farmer Mac Sellers now have the option of utilizing an outside vendor to prepare loan documents for a Farmer Mac loan. Sellers work directly with the vendor, PeirsonPatterson. To help our Sellers understand how the document preparation service works, Farmer Mac conducted a webinar regarding this new service on August 9th. If you missed the session, it has been posted on our website. To view, click on the words "Farmer Mac Events" on the homepage. Then select "Previously recorded webinars" followed by "Summer Series: Farmer Mac I Doc Prep Services." Two document preparation options are available: Farmer Mac I Full-Time Farm and Farmer Mac Part-Time Farm. The cost of the service is either \$100 or \$150, depending on the option selected. For more information, call PeirsonPatterson directly at 800-800-9975, or go to their website, [www.ppdocs.com](http://www.ppdocs.com).

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