



Vol. 20

A bi-monthly update of
important upcoming events

November 4, 2010

The Farmer Mac 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) or via opportunities@farmermac.com.

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Upcoming Events for Farmer Mac

Nov. 7-10: American Bankers Association; ABA/CBA North American Ag Lenders Conference; Omaha, NE

Nov. 15-16: Farmer Mac Road Shows: Fresno and Sacramento, CA

Nov. 17: "Farmer Mac Refresh," Live Webinar Seller Training; 12:00 Noon Eastern Time

Dec. 17: Louisiana Bankers Association; Louisiana Ag Bankers Conference; Baton Rouge, LA

Keep Up with Dr. David Kohl through Farmer Mac

As one of the most well known and respected leaders in the world of ag finance and business management, Dr. David Kohl's opinions and perspectives are sought by a variety of ag groups. "**Dave's GPS**," the name of Dr. Kohl's regular bi-monthly *Almanac* column, reflects his ability to maneuver through the challenging environment of agricultural economics and the frustrating logistics of international travel. His presentations and consultations have resulted in over 7 million miles across the U.S., Canada, Mexico, and the world.

In this issue of the *Almanac*, Dr. Kohl challenges us to answer the question "Where's the Risk in Agricultural Credit?" Do you agree with the five risk factors he identifies? If so, who are the "HENRYs" in your customer base? Are you monitoring the tax and regulatory policies which could affect vulnerable producers? How are you handling customers who will soon become too big for your institution to finance?

Along with "Dave's GPS," Dr. Kohl also provides a bi-monthly "**Dashboard**" (Lender and Business Dashboard Economic Indicator Assessment). By researching ten key economic indicators, Dr. Kohl does the work behind the scenes that allows us to gauge the strengths and weaknesses of important sectors affecting the ag economy. Reported to Farmer Mac and posted on the Farmer Mac website, the "Dashboard" helps us find a sense of direction in today's volatile economic environment.

Dr. David Kohl is Professor Emeritus in the Department of Agricultural and Applied Economics at Virginia Tech University in Blacksburg, VA. Prior to his current position at the university, Dr. Kohl served as Professor of Agricultural Finance and Small Business Management and Entrepreneurship for 25 years.

View Online: [Dave's GPS](#)

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Farmer Mac Road Shows Expand to California

After receiving enthusiastic responses from the 600 attendees of the initial 22 Road Shows across 13 mid-western states, Farmer Mac has added two more road shows to be held in November in California. The dates for the half-day workshops are Monday (Nov. 15) afternoon in Fresno and Tuesday (Nov. 16) afternoon in Sacramento.

Glowing comments received from attendees included this one from Minnesota: "The Road Show was a great learning tool. I knew I had an opportunity to get a few loans using Farmer Mac I, so the information I obtained from the Road Show set me up to win the loan I am working on right now."

This year's topics:

- Secondary Market Options for Capital, Liquidity and Credit Risk Management
- National Ag Credit Snapshot
- Fixed Rates and Other Popular Loan Products, Current Pricing Options and Trends
- "Real Deals" Recent Farmer Mac Transactions
- Meet Your Underwriter
- AgPower[®] LOS Review
- Farmer Mac II – USDA Secondary Market Update
- Marketing Farmer Mac to Your Customer – Helpful Hints

In addition to the timely discussions about ag credit in general and Farmer Mac in particular, attendees will find these sessions to be an excellent opportunity to meet Farmer Mac staff and to visit with other farm lenders in their area.

Click [here](#) to learn more and to register.

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Farmer Mac Celebrates Its 21st Year of Participating in the ABA National Agricultural Lenders Conference

As a Gold Level Sponsor, Farmer Mac will play an important role at the ABA/CBA North American Agricultural Lender Conference in Omaha, Nebraska, November 7-10.

Farmer Mac's Tuesday morning workshop on November 9 is titled "The Perfect Financial Fit" and will feature three seasoned, veteran ag lenders talking about the benefits to be gained from Farmer Mac. Indiana-based Dennis Brack of Bath State Bank, Denny Everson of First Dakota National Bank in South Dakota and Curt Covington of Bank of the West based in California will each discuss the benefits they were seeking and attained when they turned to Farmer Mac.

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"Farmer Mac Refresh" to begin Wednesday, November 17

Live Seller training via webinars is a great way to learn about Farmer Mac products and processes. Farmer Mac has been conducting so many individual customized sessions for new Sellers that we've decided to offer "open" Seller sessions on a regular monthly basis. Open sessions allow any new or existing Seller to tune in as needed.

The first of "Farmer Mac Refresh" will be Wednesday, November 17 at 12:00 noon Eastern time. Subsequently, the sessions will fall on the second Wednesday of each month.

While the training typically targets new Sellers, it also fits well for institutions requesting a "refresher course" for employees who haven't used the program in a while or for new personnel who aren't familiar with the secondary market for farm real estate loans.

Subjects profiled in the one-hour training include:

- How to find important information on the Farmer Mac website
- Farmer Mac I products and rates
- The three underwriting submission options for Farmer Mac I Farm and Ranch loans
- Seller servicing responsibilities (central servicing and field servicing)
- Loan submission and approvals through AgPower[®] LOS
- Appraisals and evaluations

Registration can be completed on the Farmer Mac website through Calendar of Events.

Click [here](#) to learn more and to register.

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The Farmer Mac "Authorized Contact" Is the Seller's Gatekeeper to Access the Farmer Mac Website

The "authorized contact" is the person designated by each Seller to perform several important functions related to the Farmer Mac program on behalf of the Seller including:

- 1) Provide access for various employees to the secured area of the Farmer Mac website
- 2) Authorize those individuals who will have the authority to obtain a commitment to purchase (lock in a rate) with Farmer Mac
- 3) Periodically complete and sign the Farmer Mac recertification form which indicates the institution's intention to continue to access the Farmer Mac programs

The process for authorized contacts to designate and maintain secured access for appropriate employees is easy. First, login to the secured area, click on "My Profile" then "Add Users." After entering each person's name, email address and initial password, the authorized contact must select the box (or boxes) providing access to "Farmer Mac I", "Farmer Mac II", or both. Farmer Mac I access ensures that a bundle of options will appear for that user including the following:

- Daily rates
- Seller/Service Guide
- Seller Bulletins
- Credit forms
- AgPower[®] LOS (Farmer Mac's web-based Loan Origination System)

Changing or dropping access for employees is equally as easy. After logging in and selecting "My Profile", the authorized contact simply selects "Show Users" and then clicks on the name of the individual whose access is being changed or dropped.

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AgPower[®] LOS: Tips to Keep the Process Fast and Efficient

Farmer Mac underwriters continually seek ways to ensure that the loan underwriting process is quick, efficient and easy to use. Loan submissions lacking data or containing errors delay the process. Sellers are encouraged to check over their information prior to submission as follows:

- 1) The "Submit Application" tab opens a screen that displays a handy 16-item checklist for the three loan submission options: Fast Track I, Fast Track II and Full Doc. (The "submit" button is placed at the bottom of the screen.)
- 2) Farmer Mac underwriters encourage users to step through that 16-item checklist carefully, clicking a box as completed only when careful examination proves that all of the correct information for that item has been included.
- 3) First-time users are encouraged to use the AgPower[®] LOS manual for a complete description of all segments of the application process.

- 4) Users are encouraged to become familiar with Farmer Mac's Underwriting Grid and prescreen loans.

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New Address for Farmer Mac Iowa Office

The Farmer Mac Iowa office, where most Farmer Mac underwriters and servicers are located, has a new address effective immediately: 5408 Northwest 88th Street, Suite 120, Johnston, IA 50131. Still in the Des Moines metropolitan area, Johnston is about ten miles southwest of Ankeny. The toll-free number for the office remains the same: 866-452-2617.

Seller/Servicer Guide: Chapter 103.1 has been edited to reflect the new address of the Iowa office.

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Farmer Mac Seller Representations and Warranties Have Been Revised

Chapter 304 of the Farmer Mac Seller/Servicer Guide, "Seller Responsibilities, Representations and Warranties," specifies both corporate representations and warranties and loan-specific representations and warranties made by Sellers with respect to each mortgage loan sold or transferred by the Seller to Farmer Mac.

Chapter 305, "Seller Liability for Untrue Representations and Warranties," outlines the remedies available to Farmer Mac if Sellers make untrue representations and warranties.

After a comprehensive review of its required representations and warranties, Farmer Mac has decided to revise portions of Chapters 304 and 305. Those changes have now been integrated into the Seller/Servicer Guide. "Marked up" chapters, posted in the secured area of the Farmer Mac website under Seller/Servicer Guide, allow readers to easily identify the new wording. Sellers are urged to refer to these Guide revisions which are effective immediately.

Seller/Servicer Guide: Chapters 304 and 305 now reflect the updated representations and warranties, with changes specifically in Chapter 304.2.5 and Chapter 304.3 (#s 1, 4, 5, 6, 7, 11, 12, 15, 16, 23, 26, 27, 28, 29 and 32) and Chapter 305.2. The definition of "Seller's Knowledge" now appears in the Glossary.

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Only One "Yield Maintenance" Product to Remain on the Farmer Mac I Pricing Sheet

Beginning November 8, 2010, the 5-year VRM will be the only yield maintenance product to appear on the Farmer Mac I Farm and Ranch pricing sheet. The two 15-year fixed rate yield maintenance products are being dropped due to lack of activity and negligible rate advantage to customers at this time. Open prepayment products are currently the most attractive to farm and ranch customers seeking flexibility in the long-term financial management of their businesses.

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New Password Requirements Enhance Website Security

Beginning November 8, 2010, Farmer Mac will deploy new password requirements for the Farmer Mac website. The purpose of the update is to enhance the security of information transacted via Farmer Mac's website. Passwords will require a minimum of eight characters, one upper case letter and one numeral and will expire after 180 days.

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