



Vol. 3

A bi-monthly update of
important upcoming events

March 7, 2008

Farmer Mac is the Congressionally-chartered secondary market for agricultural real estate and 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 or by using the e-mail hotline at Opportunities@farmermac.com.

Upcoming Farmer Mac events, including presentations, conferences, sponsorships, exhibits:

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| March 2-5: | ICBA (Independent Community Banker Association) National Convention and Techworld, Orlando, FL |
| March 12: | Farmer Mac CROP Group Webinar (Customer Response and Opinion Panel) |
| March 14: | Farmer Mac presents to Kansas Ag and Rural Leadership during their visit to Washington, DC. In February, Farmer Mac also presented to the current classes of the Arkansas Agricultural and Rural Leadership Program and the Georgia Agri-Leaders Forum Foundation. |
| March 16-18: | Iowa Bankers Association 2008 Ag Bankers Conference; Ames, IA |
| March 27-28: | Montana Bankers Association Ag Bankers Conference; Bozeman, MT |
| March 28: | National Agricultural Credit Committee (NACC); Washington, DC |
| April 2-3: | Nebraska Bankers Association 2008 Spring Agri-Business Conference; Kearney, NE |
| April 8-9: | Wisconsin Bankers Association 2008 Agricultural Bankers Conference; Wisconsin Dells, WI |
| April 10-11: | South Dakota Bankers Association Agricultural Credit Conference; Pierre, SD |
| April 18: | Rollout of special Part-Time Farm 30-year fixed-rate pricing for ABA/Farmer Mac Alliance members |
| April 28-30: | Indiana Bankers Association 2008 Mega Conference; Indianapolis, IN |

April 28-29: Kansas Bankers Association 2008 Ag and Rural Development Conference; Manhattan, KS

Special Part-Time Farm Program Pricing To Be Added to the ABA/Farmer Mac Alliance

Watch for the upcoming announcement that will offer special Part-Time Farm pricing to ABA/Farmer Mac Alliance members beginning April 18. The favorable pricing will be available for the most popular Part-Time Farm product – the 30-year fixed rate loan.

The ABA/Farmer Mac Alliance is in its third year, and under that exclusive agreement ABA member banks are awarded special benefits including pricing discounts for selected Farmer Mac Full-Time Farm products. The addition of special pricing for the Part-Time Farm program will be the first change in the program since its origin.

Farmer Mac Expands Fast Track Program

Two important changes to the Fast Track program are effective immediately:

- Loans eligible for Fast Track I and II underwriting may be submitted as long as the total Farmer Mac exposure to the borrower (or related borrowers) does not exceed Farmer Mac's maximum for an individual Farmer Mac I Full-Time Farm loan secured by more than 1,000 acres. That amount is indexed to inflation and currently stands at \$9 million.
- Properties with permanent plantings are now eligible for Fast Track I underwriting, provided the LTV is calculated using the value of the real property excluding the value contribution from the permanent plantings. Formerly, these properties were eligible for Fast Track II underwriting only.

Collateral Evaluation Guidelines Expanded to Include Properties with Dwellings

The ability to use collateral evaluations instead of appraisals in Farmer Mac's Full-Time Farm program has been a very popular addition to the collateral valuation guidelines. Effective immediately, these guidelines have been revised to permit collateral evaluations on properties with improvements such as outbuildings and specialized facilities if the contributory value of those improvements is less than 40 percent. Formerly, collateral evaluations were limited to situations where the real estate collateral consisted only of agricultural land not involving such improvements.

Collateral Evaluation Form 1021 Has Been Updated

The Collateral Evaluation worksheet, Farmer Mac Form 1021, has been updated to reflect changes in the collateral evaluation guidelines as outlined in this Almanac. To obtain the form, simply login to the Farmer Mac website, go to "Credit Forms," then scroll down to select the new version of the form.

New AgEquity Product Currently Posted at 4.85%

AgEquity is a multi-year revolving line of credit loan secured by a first mortgage on eligible ag 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 is either five or ten years, with a loan term of up to thirty years. See the rate for this product posted on the Farmer Mac I Full-Time Farm rate sheet. The rate is tied to the Prime Rate as published in the Wall Street Journal and will change as the Prime Rate changes.

Farmer Mac III Now Allows for Loans up to 50% LTV

Effective immediately, the maximum LTV for Farmer Mac III loans becomes 50%. Previously, the maximum LTV was 45%.

Farmer Mac III involves a Farmer Mac I Full-Time Farm loan with a second mortgage loan securing additional debt. The second loan may or may not be supported by a government guarantee. Farmer Mac III loan requirements are different from Farmer Mac I loan requirements and are intended to encourage loan applications from small and family farmers. The three differing standards are listed below:

Underwriting Standard	Farmer Mac I	Farmer Mac III
Loan-to-Value maximum	70%	50% (85% CLTV)
Debt-to-Asset maximum	50%	60%
Total Debt Coverage minimum	1.25:1	1.1:1

Until this time, lenders submitting loans under Farmer Mac III have typically obtained FSA guarantees on their second mortgages. The change in the LTV requirement, is expected to facilitate more efficient use, by lenders and their farm customers, of the Farm Service Agency (FSA) Direct Farm Ownership loan program under which farm operators can borrow up to \$200,000 to purchase farmland and construct or repair buildings and other fixtures. Under the Joint Financing Plan, FSA will lend up to 50 percent of the amount financed and take a second lien behind another lender for the other portion. The resultant loans can therefore be structured as follows:

First lien Farmer Mac III-eligible loan	\$200,000
<u>Second lien FSA Direct Loan</u>	<u>\$200,000 maximum</u>
Total combined loans	\$400,000

This change to Farmer Mac III was suggested by a member of the Farmer Mac CROP (Customer Response and Opinion Panel) group, a 15-member panel that meets bi-monthly via teleconference to provide program feedback to Farmer Mac. That group has offered a number of helpful suggestions that have been incorporated into various Farmer Mac programs.

Scores of Lenders Are Accessing Farmer Mac “Quick Tip Videos” for Helpful Hints about Submitting Farm Loans

Do you want to see and hear two of our underwriters giving quick answers to the most common questions about Farmer Mac’s programs? Just visit the Farmer Mac website, www.farmermac.com! Mike Juergens and Mark Rickels recently videotaped brief, two-minute answers to approximately twenty of the most common questions about submitting Farmer Mac I loans. These “Quick Tip Videos” are now posted on the Farmer Mac website. They are listed under “Resource Center” on the right side of the homepage. Many lenders have commented that they are very helpful, especially to new users. Some of the most popular are:

The Steps, Origination to Closing – Full-Time Farm Loans

Who is Eligible for a Farmer Mac I Full-Time Farm Loan?

The Three Options for Submitting a Full-Time Farm Loan

What is a Pro forma Balance Sheet?

Quick-Start Your Farmer Mac I Full-Time Farm Loan Applications

Sellers in a hurry to get a loan submitted and approved have started e-mailing the applicant’s financial information to Farmer Mac underwriters, rather than mailing it or sending via express delivery (see the description of the secure e-mail option below). In fact, Farmer Mac encourages completing and forwarding the FAMC Single Entity or Multiple Entity spreadsheets. Though lenders may use their own forms for submission, Farmer Mac spreadsheets can be found at www.farmermac.com in the credit forms section and their use can expedite the processing of the loan. Not only is the information expedited in its transmission, but the underwriting process is facilitated through efficiencies gained through underwriters’ familiarity with the forms. Credit reports, tax returns and historical balance sheets may also be scanned and e-mailed, but lenders should test the document before sending as there are routine problems with clarity in scanned documents.

Secure E-mail Option Available on Farmer Mac Website

Secure e-mail is now available in the password-protected area of the Farmer Mac website. Farmer Mac integrated the option to ensure the confidential exchange of information. A common use among Sellers is the transfer of loan files to Farmer Mac underwriters.

When you are ready to send an encrypted e-mail, simply click on the “Secure E-mail” box in the protected area of the Farmer Mac website. Your inbox automatically appears for messages received. Or, in the event you are the sender of the message, click on “Send e-mail” and then input the recipient’s e-mail address, subject and message. After attaching up to three documents, click on “Send.”

Did You Miss the 2007 Webinars? Help Is at Hand!

Thank you so much for your interest in our Webinars! Due to the popularity of this series, six of the eight sessions were recorded and posted to the Farmer Mac website. The following sessions are available:

July 26:	Part-Time Farm Property Review
Aug 2:	Farmer Mac II Product Review
Aug 9:	Farmer Mac III Underwriting Option
Aug 16:	Farmer Mac I Doc Prep Services
Aug 23:	LTSPC Product Review
Aug 30:	AgVantage Program

To listen to the webinars on the Farmer Mac website, www.farmermac.com, simply proceed as follows:

- Click on “2007 Farmer Mac Events” (see option on the homepage).
- Proceed to next screen.
- Click “Previously Recorded Webinars” and select the topic of your choice.

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. 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 selection. Farmer Mac receives no fees for the services provided by PeirsonPatterson.

PeirsonPatterson has posted a set of instructional slides on its website where a hot link to the slides is found immediately following a copy of the press release announcing the Farmer Mac document preparation resource. A separate hot link within the same website leads to the list of Farmer Mac I loan product documents.

For more information, call PeirsonPatterson at 800-800-9975.