

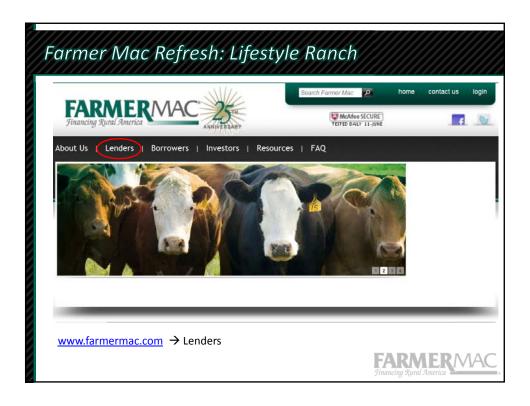
Today's Presenters

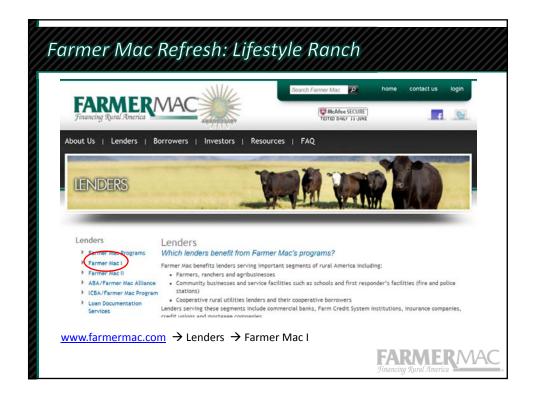
- Bill Miller
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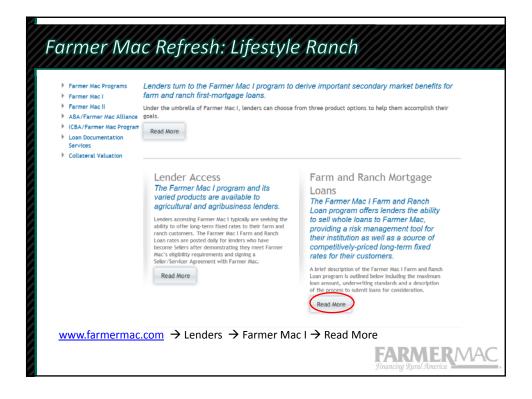
Washington, DC Main Office (800) 879-3276

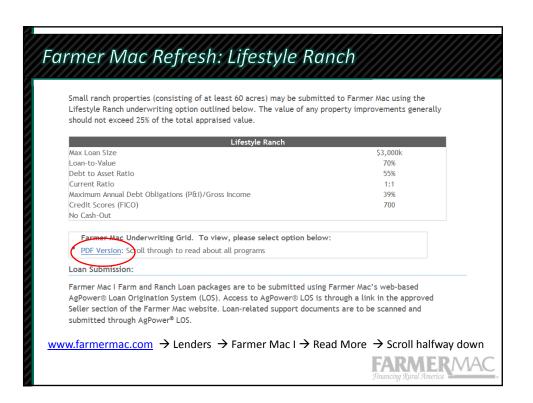
Iowa Underwriting Office Main Line (866) 452-2617

FARMER VAC









Today's Agenda

- 1. Introduction of Lifestyle Ranch
- 2. Underwriting Criteria
- 3. Entering a Lifestyle Ranch Loan into AgPower®
- 4. Products and Pricing for Lifestyle Ranch Properties
- 5. Examples of Lifestyle Ranch Properties





Lifestyle Ranch Product Description

Product Description

Description: Small ranch properties (≥60 acres) that may or

may not have building improvements, and have

feasible and intended agricultural crop or

livestock production.

Loan Collateral: First mortgage and the value of any dwelling

and building improvements should generally not exceed 25% of total appraised value.

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Product Description

Eligible Borrowers: Wage earners using off-farm income as main

source of qualifying income. Farm income (Schedule F) acceptable but not required. Examples of intended uses include hobby farm,

recreation, hunting.

Products & Pricing: Farmer Mac Farm & Ranch products, monthly

payment schedule and standard pricing only.

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Product Description

Appraisal: Appraisal must meet USPAP standards and

Farmer Mac Collateral Valuation guidelines. The appraiser must be a state-licensed and certified general appraiser. The market's foreseeable highest and best use and the market sales used to influence the value of the property must not include land subdivision or

commercial development potential.

Documentation: Full income documentation required for all

obligors. 3 years tax returns required. Most recent wage statement required for off-farm

income.





Lifestyle Ranch Underwriting

Underwriting Standards

Annual Debt Obligations (P&I)/Gross Income ≤ 39% CR - Proforma Current Ratio ≥ 1.00 DA – Leverage: Proforma Debt/Asset ≤ 55% Minimum Loan Size None Maximum Loan Size \$3.0 Million LTV * ≤ 70% * ≥ 700 Credit Score Aggregate Borrower Exposure \$30.0 Million Cash-Out Limitation No Cash-Out

*Maximum LTV = 60% for loans in the following states: North Dakota, South Dakota, Minnesota, Iowa, Illinois, Indiana, Ohio, Missouri and Nebraska



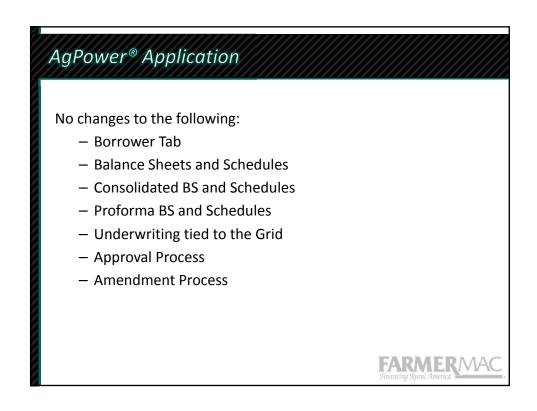
Underwriting Standards

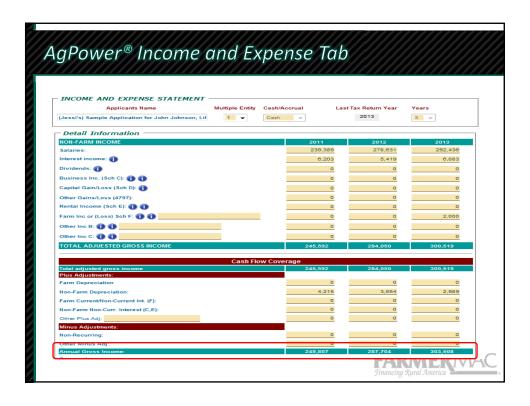
Other Requirements:

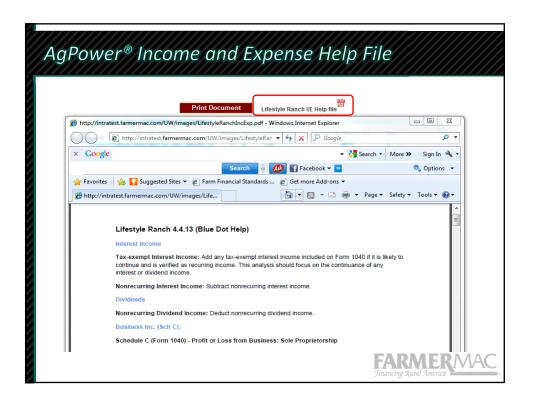
- Small Ranch Properties ≥ 60 acres
- The market's foreseeable Highest and Best Use and the market sales used to influence the value of the property must not include land subdivision or commercial development potential
- Dwelling and any other improvements must not exceed 25% of the total appraised value
- Full income documentation requirement. 3 years tax returns require of all obligors. Wage earners must provide most recent wage statement
- Loan structured with monthly payments

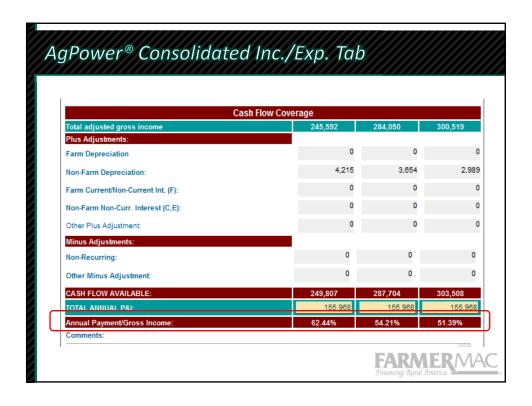


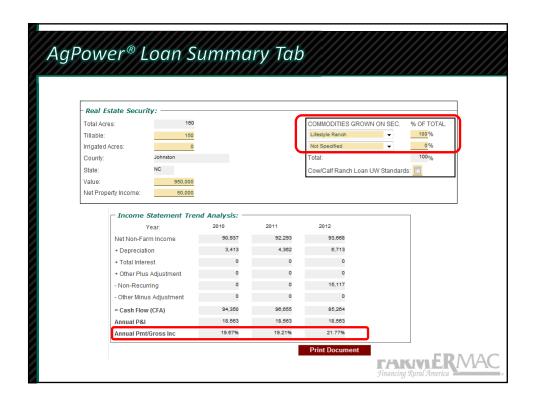












Income Expense				
Inc/Exp Date	/	12/31/2012		
Gross Farm Income:	0	1,000	1,000	
Farm Expense:	0	900	900	
Net Farm Income:	0	100	100	
Non Farm Income:	0	1,000	1,000	
Depreciation:	0	100	100	
Interest:	0	50	50	
Leases:	0	0	0	
Income Taxe:	0	50	50	
Living:	0	500	500	
Inc/Exp Elim on Con:		- 000	0	
CFA:	359,508	700	700	
Debt Service:	43,557	200	200	
TDC	0.00	3.5	3.50	



Lifestyle Ranch Products & Pricing Options

Products	Term	Amortization	Reset Margin	Monthly Pay Standard
1-Mo ARM LIBOR	15	15 25	1.60%	1.83%
1-Yr ARM	15	15 25	2.50%	1.90%
3-Yr ARM	15	15 25	2.50%	2.37%
5-Yr ARM	15	15 25	2.50%	2.87%
7/1 ARM	15	15 25		3.73%
10/1 ARM	15	15 25		3.85%
10-Yr VRM	15/20	15/20		3.99%
10-Yr VRM	25/30	25/30		4.19%
7-Yr Fixed	7	15 25		3.42%
10-Yr Fixed	10	10		3.55%
15-Yr Fixed	15	15		4.06%
15-Yr Fixed	15	25		4.37%
20-Yr Fixed	20	20		4.82%
25-Yr Fixed	25	25		5.07%

-Monthly payments are 5 bps less than the semi-annual payment schedule which is the standard quoted rate on Farmer Mac Rate Sheets

-Standard Pricing Only (Choice pricing is not available)

-As of 6/10/2013 11:51 AM ET





Sample Lifestyle Ranch Properties

Lifestyle Ranch Examples

Property Location: Northeast Texas

Acres: 65

Property Value: \$200,000 Loan Amount: \$140,000 LTV: 70%

Agricultural Commodity: Lifestyle Ranch (Grazing)

Improvements: Fencing

Highest and Best Use: Agriculture/Hobby Farm
Primary Income Source: Off Farm Income/Wage Earner





MAC

Lifestyle Ranch Examples

Property Location: Southeast Oregon

 Acres:
 80

 Property Value:
 \$315,000

 Loan Amount:
 \$204,000

 LTV:
 65%

Agricultural Commodity: Lifestyle Ranch (Grazing/Hay Production)
Improvements: Fencing, Stall and Hay Barn, Storage Shed

Highest and Best Use: Agriculture/Hobby Farm
Primary Income Source: Off Farm Income/Wage Earner



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Lifestyle Ranch Examples

Property Location: Central Texas

Acres: 340

Property Value: \$1,100,000

Loan Amount: \$750,000

LTV: 68%

Agricultural Commodity: Lifestyle Ranch (Grazing/Hunting/Recreation)

Improvements: Fencing, Small 2nd Home

Highest and Best Use: Hobby Farm

Primary Income Source: Off Farm Income/Wage Earner



