

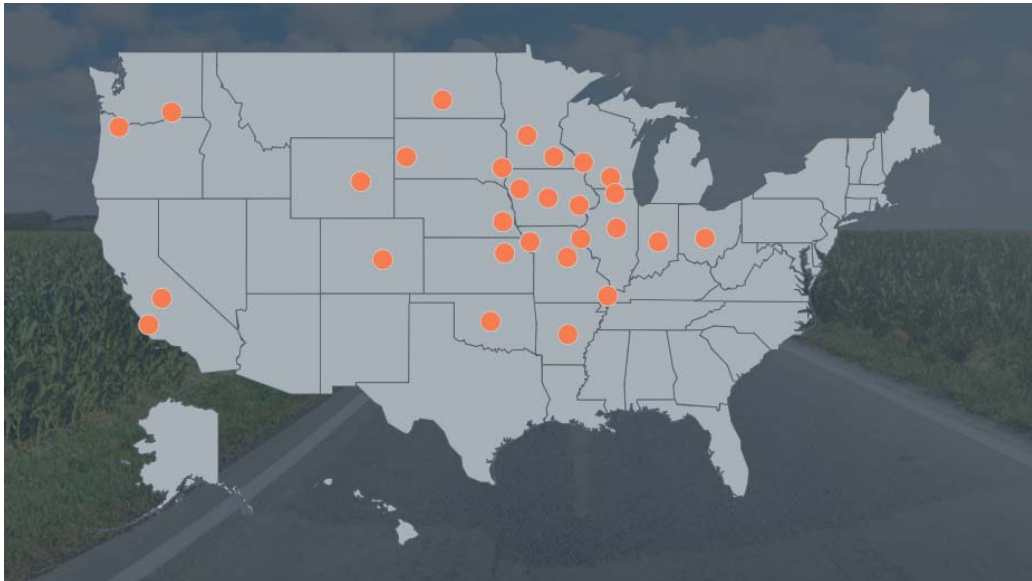
FARMER  AC

## *Road Show 2017*

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### *2017 Road Show Schedule*

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## ***Agenda***

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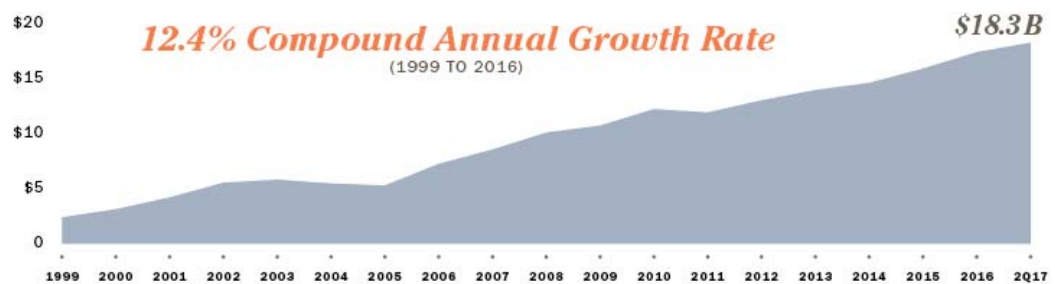
1. Welcome & Introductions
2. Corporate Update
3. A Word from our Ag Economists
4. USDA Guaranteed Loans
5. Rates & Product Review
6. Meet Your Underwriter
7. Other Liquidity & Credit Protection Tools
8. Conclusion



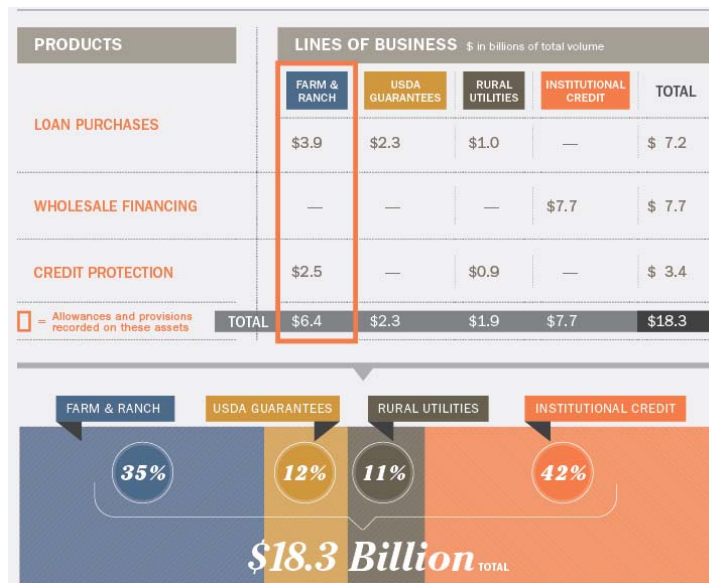
## ***Welcome & Introductions***

## *Corporate Update*

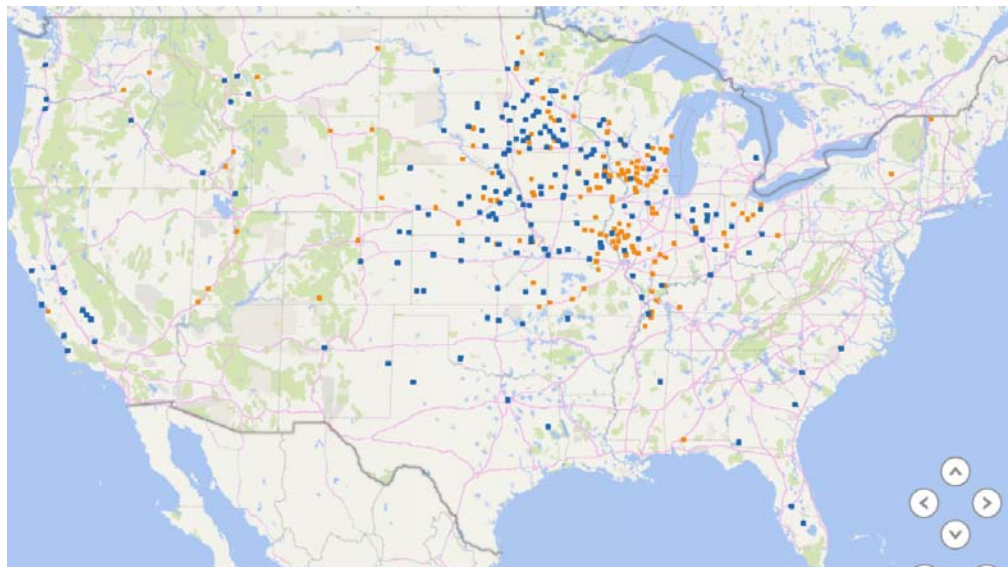
### *Historical Business Volume*



## Outstanding Business Volume



## 2016 Lender Locations



- Farm & Ranch and PC Sellers
- Farmer Mac 2/USDA Sellers

## Becoming a Farmer Mac Seller

- Farmer Mac Seller requirements

- Seller application
- Seller/Service agreement
- Officers' Certificate
- Stock ownership

### Consolidated Assets

- Up to \$50 Million
- \$50- \$100 Million
- \$100- \$500 Million
- Over \$500 Million

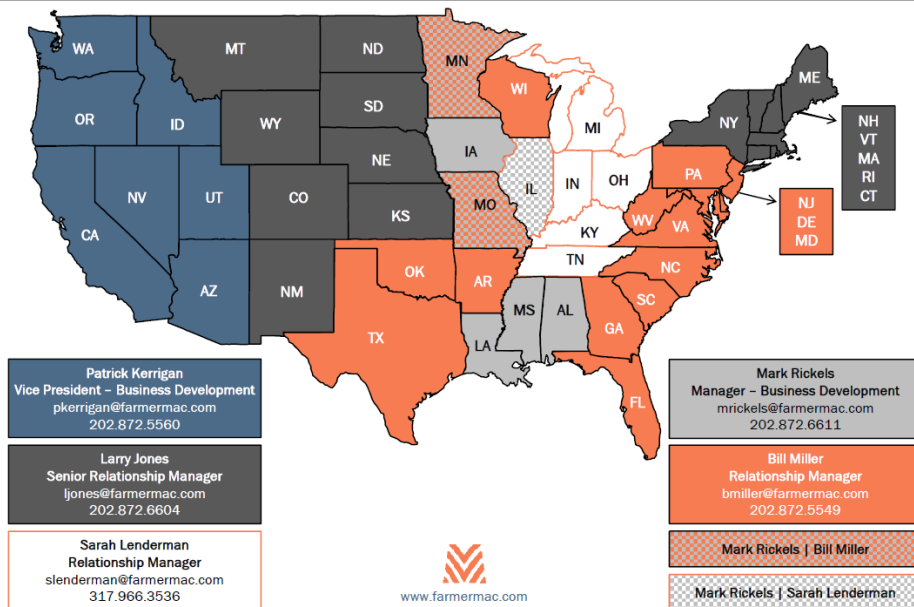
### Stock Ownership Requirements

- 100 shares of Class A or Class C
- 200 shares of Class A or Class C
- 500 shares of Class A or Class C
- 1000 shares of Class A or Class C

- Application and stock purchase not required for Farmer Mac 2



## Farmer Mac Relationship Manager Map



# Agricultural Economy Outlook

## Things to Watch in 2017/18

- Talks have begun
- Still early stages
- Farmers likely to have bigger stake
- ARC/PLC?
- Crop insurance?

### Farm Bill



- Canada and Mexico two of our top ag trading partners
- Currently under negotiations
- Tough talk from Trump

### NAFTA



- Top destination for U.S. ag exports
- Routinely buys >60% of soybean exports
- Open to U.S. beef (slowly)
- Tough talk from Trump

### China



- Farm labor growing scarce
- Pacific and rim states hardest hit
- Wages rising as a result
- Rise of the Farm Bot?

### Labor



- Fed has raised short-term rates 100 bps since December 2015
- FOMC members signaling a slowdown
- Long-term rates still low but for how long?

### Interest Rates



- Mergers, mergers, everywhere
- Farms getting bigger
- Lenders getting bigger
- Fewer input suppliers
- Watch expenses and input prices

### Consolidation



## ***Check Out the Feed***

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- Quarterly publication
- Focus on sectors and stories relevant to the season
- Available on the Farmer Mac website to download or subscribe ([www.farmermac.com/thefeed](http://www.farmermac.com/thefeed))
- Subscribers automatically receive it via email
- Send comments and requests to [thefeed@farmermac.com](mailto:thefeed@farmermac.com)

## **The Feed**

*Farmer Mac's Quarterly Perspective on Agriculture*

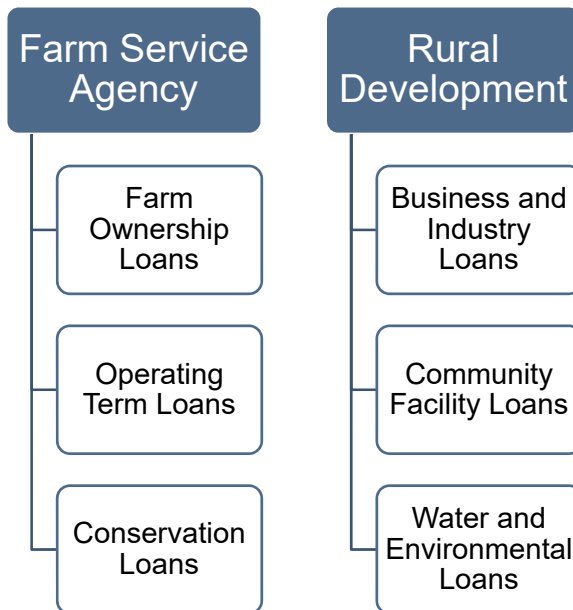


**Spring  
2017**

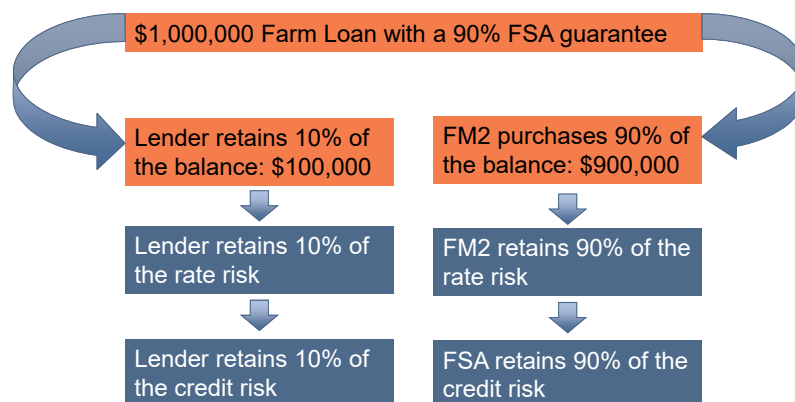


## ***Farmer Mac 2 USDA Guaranteed Loan Program***

## Eligible USDA Programs



## How Farmer Mac 2 Works



*Lender retains 100% of the Loan Servicing*



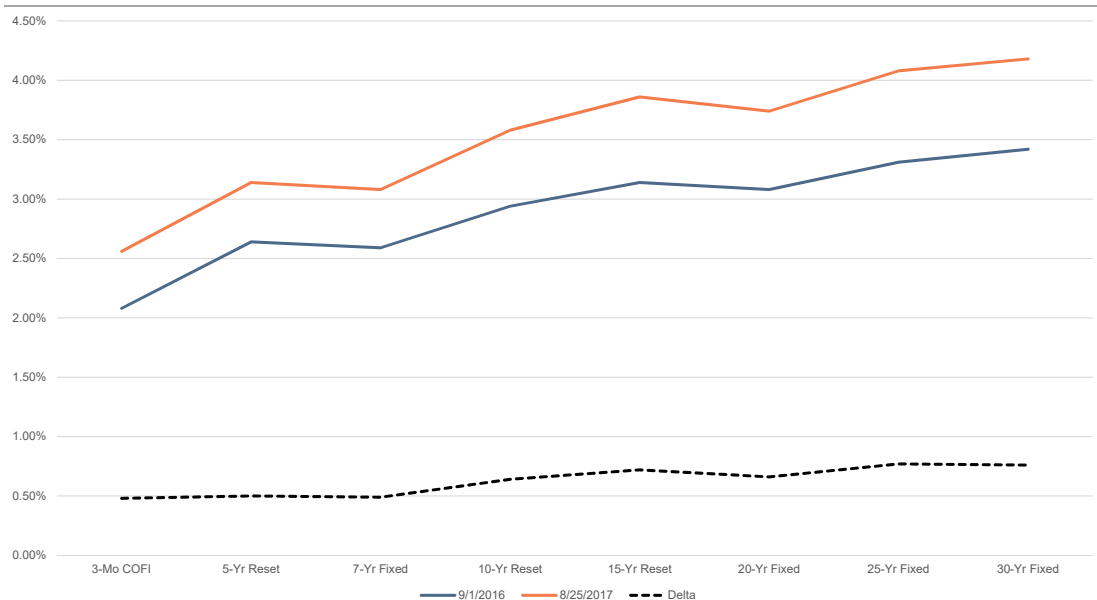
## Advantages of Utilizing Farmer Mac 2



- Offer long-term fixed rates to “guaranteed loan” borrowers
- Lender receives fee income over life of the loan
- Average servicing fee is over 1.25%
- Competitive rate sheet
- No prepayment penalties
- Lender services 100% of the loan
- Centralized FM2 Program Administrator
- No Farmer Mac underwriting



## Net Yield Changes 2017 vs 2016



## Farmer Mac 2 Rates – 10.26.17



Product Types	Monthly Pay Cash	Monthly Pay 4-Week Rate Lock	Annual, S.A., & Qrtly Pay Cash	Annual, S.A., & Qrtly Pay 4-Week Rate Lock
Wall Street Journal Prime **	2.75%		2.75%	
Farmer Mac 3-Mo COFI	2.62%		2.62%	
Farmer Mac 5-Yr Reset COFI, 20, 25, 30-Yr Am	3.22%	3.31%	3.32%	3.41%
Farmer Mac 10-Yr Reset COFI, 20, 25, 30-Yr Am	3.63%	3.72%	3.73%	3.82%
Farmer Mac 15-Yr Reset COFI, 20, 25, 30-Yr Am	3.89%	3.98%	3.99%	4.08%
7-Yr Fixed Rate, 7-Yr Am	3.15%	3.24%	3.25%	3.34%
7-Yr Fixed Rate, 15-Yr Am	3.31%	3.40%	3.41%	3.50%
10-Yr Fixed Rate, 10-Yr Am	3.32%	3.41%	3.42%	3.51%
15-Yr Fixed Rate, 15-Yr Am	3.56%	3.65%	3.66%	3.75%
15-Yr Fixed Rate, 25-Yr Am	3.79%	3.88%	3.89%	3.98%
20-Yr Fixed Rate, 20-Yr Am	3.77%	3.86%	3.87%	3.96%
25-Yr Fixed Rate, 25-Yr Am		4.30%		4.39%
30-Yr Fixed Rate, 30-Yr Am		4.39%		4.50%

## 2016 USDA Purchase Summary

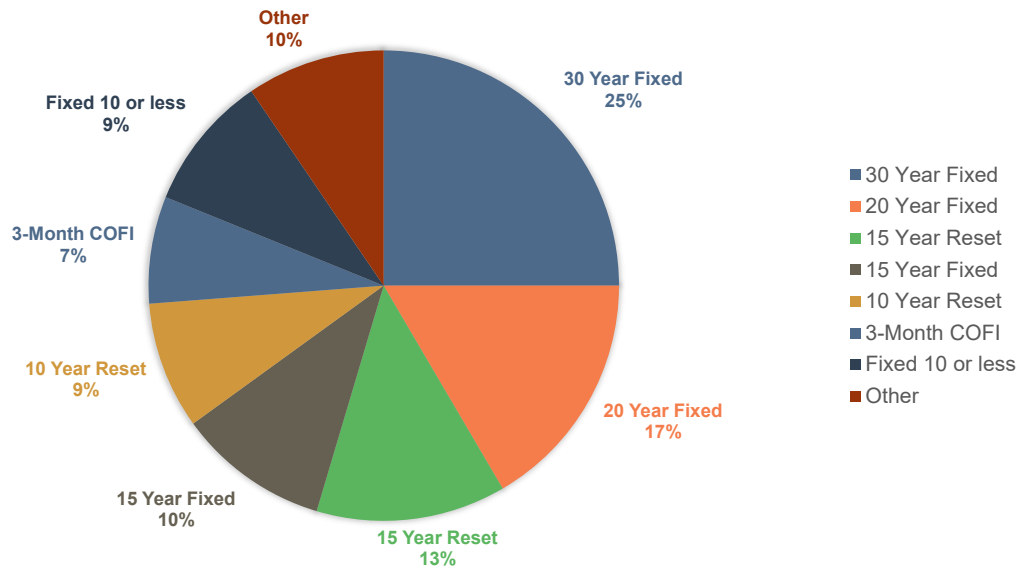


Products	Loans	Servicing Fees Wgt Avg	Servicing Fees Median	Net Yield Wgt Avg	Volume	Volume as % of Total	Average Loan Size
Prime	5	1.06%	0.50%	1.70%	\$5,444,931	1%	\$ 1,088,986
3-Month COFI	86	3.12%	4.50%	1.96%	\$22,601,361	5%	\$ 262,807
5-Year COFI	44	1.53%	1.61%	2.70%	\$29,222,526	6%	\$ 664,148
10-Year COFI	68	1.73%	1.45%	3.05%	\$29,920,737	6%	\$ 440,011
15-Year COFI	201	1.16%	1.02%	3.45%	\$88,770,762	18%	\$ 434,992
7-Year Fixed, Full Am	104	1.34%	1.31%	2.59%	\$22,607,685	5%	\$ 217,382
7-Year Fixed, 15-Yr Am	32	1.78%	1.75%	2.73%	\$10,936,561	2%	\$ 341,768
10-Year Fixed, Full Am	20	1.20%	1.05%	3.05%	\$5,858,142	1%	\$ 292,907
15-Year Fixed, Full Am	98	1.30%	1.25%	3.04%	\$43,327,589	9%	\$ 442,118
15-Year Fixed, 25-Yr Am	9	1.23%	1.18%	3.41%	\$5,129,360	1%	\$ 569,929
20-Year Fixed	268	1.15%	1.15%	3.35%	\$119,436,447	25%	\$ 445,658
25-Year Fixed	56	1.13%	1.15%	3.57%	\$26,553,608	6%	\$ 474,172
30-Year Fixed	171	1.05%	1.00%	3.67%	\$71,400,081	15%	\$ 417,544
	<b>1162</b>	<b>1.33%</b>	<b>1.20%</b>	<b>3.20%</b>	<b>\$481,209,789</b>	<b>100%</b>	<b>\$ 414,122</b>

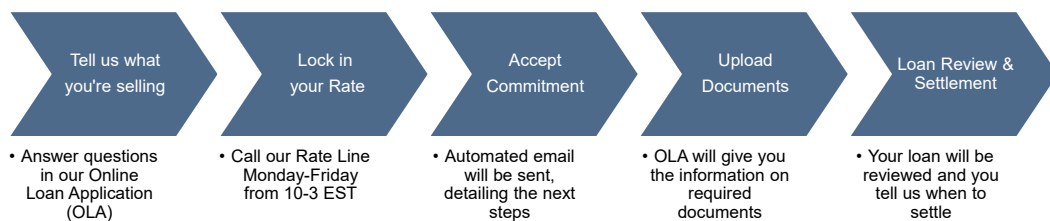
## Farmer Mac 2 Product Trends



FM2 TOP PRODUCTS 2017



## Steps to Success



## ***Sale Documents***



Loan Note  
Guarantee

Assignment  
of Guarantee

Promissory  
Note

Other  
Documents



## ***Program Administrator***



- Loan Settlements
- Loan Payments
- Servicing Actions



## ***FSA Guaranteed Lenders Meeting***

### **2017 FSA GUARANTEED LENDERS MEETING**

November 12, 2017 | Hilton Milwaukee City Center  
Milwaukee, WI

Sponsored by:  
 **FARMER  
MAC**

#### **YOU'RE INVITED — REGISTER TODAY!**

Does your bank originate FSA Guaranteed Farm Loans? Is your bank considering it? If so, you will not want to miss this special FSA meeting!

- **Meet** with top USDA officials and other lenders;
- **Discuss** important topics about the program in an open forum;
- **Bring** your questions to the meeting; and
- We will **provide** the forum (along with breakfast)!

You **do not** need to be registered for the 2017 ABA National Agricultural Bankers Conference to attend this event.

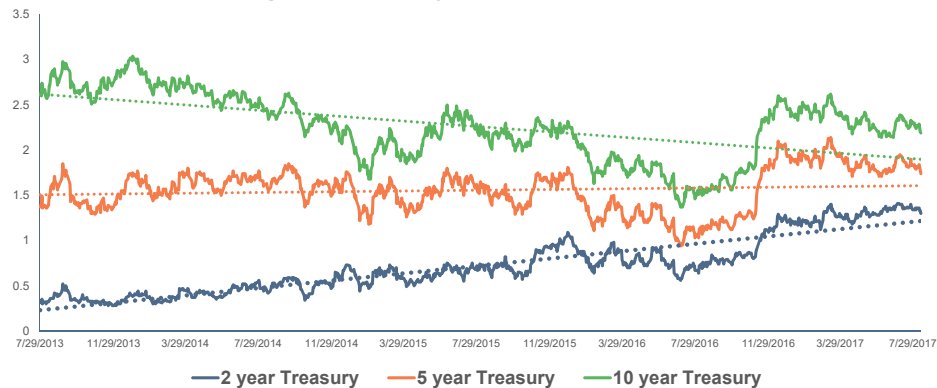
**Last year over 100 people attended — Space is limited, sign up today!**



## ***Farm & Ranch Rates & Products***

## Interest Rate Environment

Long Term Treasury Yields – 2013 to Present



- Long-term rates are down moderately in 2017 after increasing significantly in Q3 and Q4 2016
- 2-year Treasury rates have climbed as the Fed has continued to raise the Federal Funds rate
- Yield curve flattening is being driven by low inflation and a Fed that is determined to increase short-term interest rates to prevent the economy from overheating



## Product Impact – Farm & Ranch

- Long-term rates are slightly lower for the year, however remain above lows seen in July 2016
  - Strong demand for Farm and Ranch fixed rate loans
  - 15-year products remain very attractive relative to other products
  - 5-year ARM beginning to see more volume due to relative attractiveness on the yield curve

Product	January 2016	August 2016	January 2017	August 2017
1-month ARM, 25-year AM	1.91%	2.20%	2.46%	2.92%
5-year ARM, 25-year AM	3.56%	3.02%	3.65%	3.25%
10/1 ARM, 25-year AM	3.70%	3.28%	4.07%	3.87%
15-year Fixed, 25-year AM	4.48%	3.72%	4.39%	4.14%
15-year Reset, 30-year AM	4.51%	3.74%	4.43%	4.20%
25-year Fixed, 25-year AM	4.83%	3.93%	4.98%	4.63%

- LIBOR-based reset product (1-month ARM, AgEquity) remain popular however demand beginning to moderate as rates rise
  - These products are much more sensitive to actions by the Federal Reserve than products with initial fixed rate periods greater than 5-years



## Product Guide



WHAT'S OFFERED

FARM & RANCH PRODUCT GUIDE

Farmers Mac offers a wide menu of product options with various amortizations and maturities. Let's break it down. Your loan product options include:

**Fixed Rate Mortgages**  
 10, 15, 20, 25, & 30-year fixed terms, fully amortized  
 7-year fixed term, 15 or 25-year amortization  
 15-year fixed term, 25-year amortization

**Adjustable Rate Mortgages (ARM)**  
 Agility LIBOR  
 Revolving line of credit tied to real estate; 5 or 10-year draw option  
 • Index = 30-day LIBOR as published in the Wall Street Journal, rate adjusts monthly

**1-Month ARM:** 15-year maturity, 15 or 25-year amortization  
 • Index = 30-day LIBOR, rate adjusts every month, or  
 • Index = 1-month PRIME, rate adjusts every month

**1, 3, & 5-year ARM:** 15-year maturity, 15 or 25-year amortization  
 • Index = Constant Maturity Treasury (CMT), rate adjusts 1, 3, & 5-years respectively

**7/1 & 10/1 ARM:** 15-year maturity, 15 or 25-year amortization  
 • Index = 1-year LIBOR, rate adjusts annually after the initial 7 or 10-year period

See [Product Descriptions](#) for index and reset margin information.

**Variable Rate Mortgages (VRM)**  
 5-year VRM: 10, 15, 20 or 25-year maturity and amortization  
 • Index = Farmer Mac Cost of Funds, rate adjusts every 5 years  
 This specific product carries a prepayment penalty

**10-year VRM:** 15, 20, 25 or 30-year maturity and amortization  
 • Index = Farmer Mac Cost of Funds, rate adjusts every 10 years

**15-year VRM:** 20, 25 or 30-year maturity and amortization  
 • Index = Farmer Mac Cost of Funds, rate adjusts every 15 years

See [Product Descriptions](#) for index information.

**PREPAYMENT OPTIONS AND SCHEDULES**

Products are fully prepayable without penalty, except the 5-year VRM

Any payment made other than on a regularly scheduled installment date (i.e., payment date) must be accompanied by pre-paid interest to the next installment date

Special principal payments must be received on or before the scheduled payment date and will only be applied after the scheduled payment amount has been satisfied

Monthly, semi-annual, and annual payment options available on most products

- Annual payments due on January 1st
- Semi-annual payments due on January 1st and July 1st
- Monthly payments due on the 1st of each month
- Semi-annual interest-only payments for AgQuality loans during draw period

See [Payment Schedule Guide](#) in Resource Library for more information



[Product Descriptions](#), conversion information, and Seller/Service requirements are available within the Resource Library at [efarmermac.com](http://efarmermac.com).

Rate sheets are posted daily.  
 Net yields are quoted and based on market conditions at the time of posting. Actual yields may differ from those indicated.

## Farm & Ranch Fixed Rate Products – 10.26.17

Product	Term	Amort.	Reset Margin	Standard Rate	Choice Rate
7-Yr Fixed	7	15 25	-	4.15%	3.95%
10-Yr Fixed*	10	10	-	4.29%	4.09%
15-Yr Fixed*	15	15	-	4.42%	4.22%
15-Yr Fixed*	15	25	-	4.68%	4.49%
20-Year Fixed	20	20	-	4.78%	4.63%
25-Year Fixed	25	25	-	4.93%	4.78%
30-Year Fixed	30	30	-	5.03%	4.90%

\*ICBA Discount Available

\*ABA Discount Available

### ***Farm & Ranch ARM Products – 10.26.17***

Product	Term	Amort.	Reset Margin	Standard Rate	Choice Rate
1-Mo ARM LIBOR*	15	15 25	1.70%	3.23%	3.03%
1-Yr ARM	15	15 25	2.30%	3.06%	2.86%
3-Yr ARM	15	15 25	2.30%	3.41%	3.21%
5-Yr ARM	15	15 25	2.30%	3.72%	3.52%
7/1 ARM*	15	15 25	3.25%	4.11%	3.98%
10/1 ARM*	15	15 25	3.25%	4.30%	4.17%

\*ICBA Discount Available

\*ABA Discount Available



### ***Farm & Ranch VRM Products – 10.26.17***

Product	Term	Amort.	Reset Margin	Standard Rate	Choice Rate
10-Yr VRM*	15 20	15 20	-	4.50%	4.30%
10-Yr VRM*	25 30	25 30	-	4.60%	4.39%
15-Yr VRM*	20	20	-	4.57%	4.37%
15-Yr VRM*	25 30	25 30	-	4.73%	4.53%

\*ICBA Discount Available

\*ABA Discount Available





## Farm & Ranch AgEquity RLOC

Product	Term	Amort.	Reset Margin	Standard Rate	Choice Rate
Ag Equity LIBOR	20 25 30	Varies	2.00%	3.24%	N/A

- Maximum of 100 bps field servicing
- 5 or 10 year draw period
- Up to a 30 year term
- Semi-Annual interest only payments; amortizing after draw period
- Minimum \$2,500 draw; unlimited draws



## Important Footnotes

### FARMER AC Farm & Ranch Loan Program

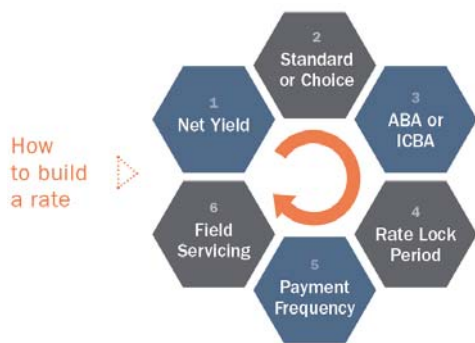
Products	Term	Amortization	Choice Reset Margin	Standard Rates	Choice Rates
AgEquity LIBOR	20   25   30	Varies	2.00%	3.24%	N/A
1-Mo ARM LIBOR	15	15   25	1.70%	3.23%	3.03%
1-Yr ARM	15	15   25	2.30%	3.06%	2.86%
3-Yr ARM	15	15   25	2.30%	3.41%	3.21%
5-Yr ARM	15	15   25	2.30%	3.72%	3.52%
7/1 ARM	15	15   25	3.25%	4.11%	3.90%
10/1 ARM	15	15   25	3.25%	4.30%	4.17%
10-Yr VRM	15   20	15   20		4.50%	4.30%
10-Yr VRM	25   30	25   30		4.60%	4.39%
15-Yr VRM	20	20		4.57%	4.37%
15-Yr VRM	25   30	25   30		4.73%	4.53%
7-Yr Fixed	7	15   25		4.15%	3.95%
10-Yr Fixed	10	10		4.29%	4.09%
15-Yr Fixed	15	15		4.42%	4.22%
15-Yr Fixed	15	25		4.68%	4.49%
20-Yr Fixed	20	20		4.78%	4.59%
25-Yr Fixed	25	25		4.93%	4.75%
30-Yr Fixed	30	30		5.03%	4.90%

- Rates are quoted as a Net Yield or Seller's cost of funds and are based on current market conditions. Actual rates may differ.  
 - Seller must add a Field Servicing Fee to the above Net Yield, to basis point minimum, 150 basis point maximum. AgEquity maximum is 100 basis points.  
 - Review the Preliminary Loan Approval Notice for qualified pricing type (Standard or Choice).  
 - Semi-annual payment rates are shown above. Add 15 basis points for annual pay unless 5 basis points for monthly pay.  
 - The above rates include a 4-week rate lock period. Other options are available. Contact the Rate Lock Desk for pricing.  
 - Higher rate may apply for loans \$5 million and greater for the 20, 25, and 30-year fixed products. Contact the Rate Lock Desk for pricing.

- Rates are indicative
- Rate lock hours: 10:00 am to 3:00 pm eastern time
  - 800-879-3276
- Semi-annual payment rates are posted
  - Add 15 bps for annual pay
  - Subtract 5 bps for monthly pay
- Choice quality reset margins are posted
- For loans \$5 million or greater, higher rates may apply for:
  - 20 year fixed
  - 25 year fixed
  - 30 year fixed
- 4-week rate locks posted. Other options available upon request
- Mandatory Delivery



## Pricing a Loan



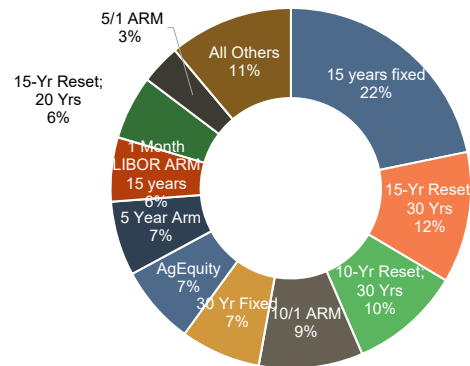
- Start by checking the Farmer Mac Net Yield on the rate sheet
- Does the loan request qualify for Standard or Choice Pricing?
- Is your institution an ABA or ICBA member?
- What is the re-payment frequency?
  - Monthly, Semi-Annual or Annual
- 4 Week Rate Lock?
- 10 – 150 bps for most products

## Field Servicing Fee Averages

Product	2015 Avg.	2016 Avg.	2-Yr Avg.	2-Yr % of Vol
All Regions	0.64%	0.74%	0.68%	100%
10/1 ARM	0.60%	0.75%	0.66%	21.34%
AgEquity RLOC	0.76%	0.67%	0.70%	16.71%
15-Yr Fixed	0.62%	0.74%	0.66%	14.17%
7/1 ARM	0.72%	0.81%	0.77%	7.45%
1 Month LIBOR ARM	0.86%	1.08%	0.95%	7.15%
25-Yr Fixed	0.49%	0.58%	0.53%	4.55%
15-Yr Reset; 30 Yrs	0.76%	0.63%	0.63%	4.47%
5 Year ARM	0.55%	0.85%	0.74%	4.29%
20-Yr Fixed	0.53%	0.57%	0.57%	3.74%
10-Yr Reset; 30 Yrs	0.61%	0.93%	0.66%	3.27%
Top 10 Prod:	0.67%	0.75%	0.69%	87.2%

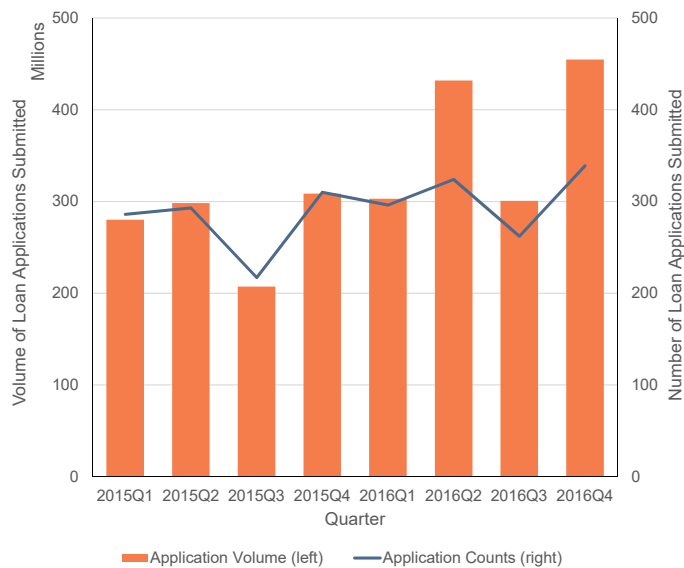
## ***Recent Popular Products***

All Regions



***Meet Your  
Underwriter***

## Farm and Ranch Loan Purchase Trends – Last 2 Years



Total amount of loan purchase volume processed by our credit staff **\$2.6B**

Overall application approval rate **78%**

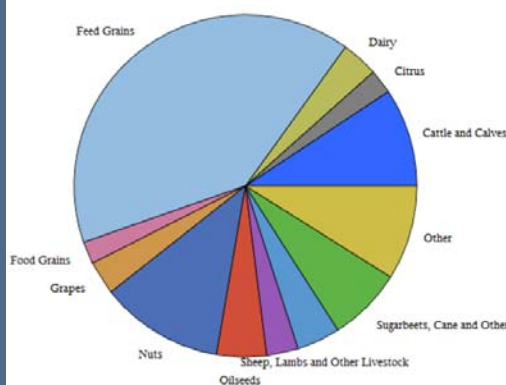
Overall approved-loan close rate **81%**

Percentage of loans receiving Choice pricing **28%**

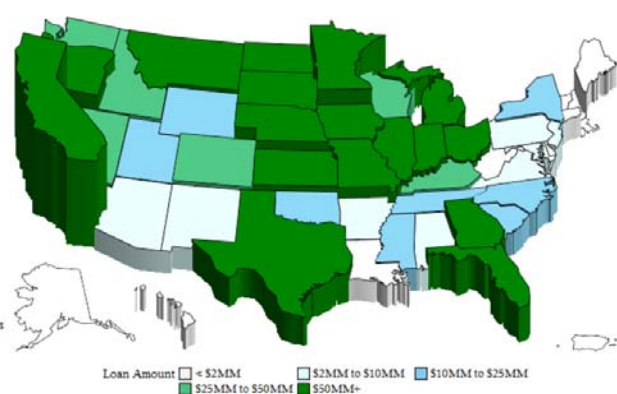


## Farm and Ranch Loan Purchase Trends – Last 2 Years

### What?

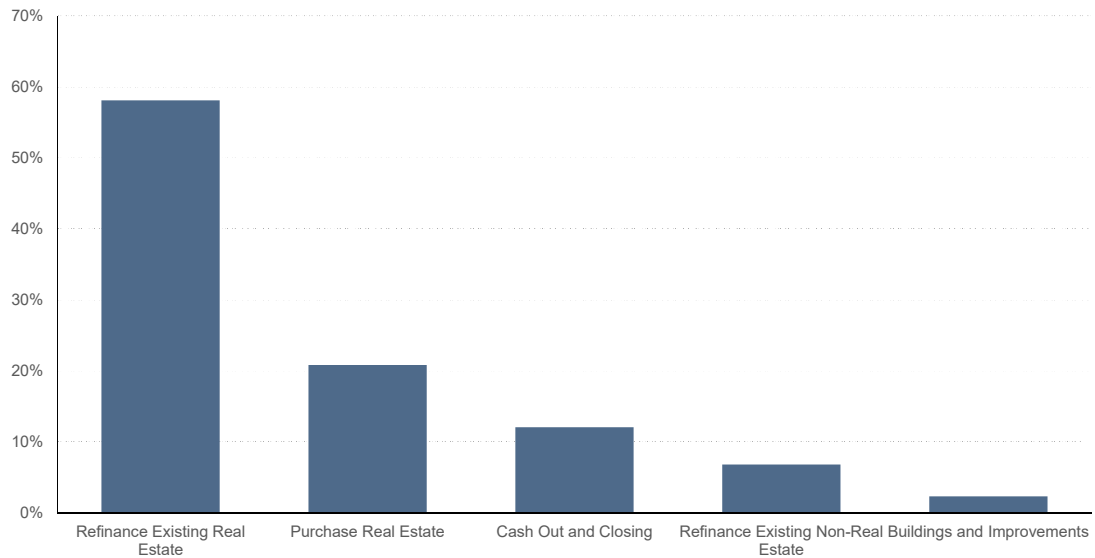


### Where?



## ***What Do Farmer Mac Borrowers Do With Their Loans?***

Farm and Ranch Loan Use-of-Fund Percentages for 2016 Submissions



## ***Eligible Borrowers and Properties***

- Eligible Farm & Ranch Loans
  - Types of loans
    - Must be first mortgage farm or ranch real estate loans
    - Revolving lines of credit are available if first mortgage secured
  - Properties
    - Parcels of land capable of producing ag commodities or products
    - May be improved by buildings, fixtures and equipment permanently attached
    - No minimum or maximum acreage requirement
  - Borrowers
    - U.S. citizens, nationals or aliens lawfully admitted for permanent U.S. residence
    - Corporations or partnerships where members, stockholders or partners holding a majority interest in the entity are U.S. citizens (or nationals) or aliens lawfully admitted for permanent U.S. residence. Co-borrowers or a personal guarantee is expected.
    - Trusts are eligible for Farmer Mac financing if there is a personal guarantee



## Application Checklist

- Prepare and/or collect borrower information
  - Note: a Narrative Template is available in the Resource Library

Application Checklist	Full Underwrite	Fast Track
1. Detailed Narrative (analysis of character, capital, capacity, collateral & condition)	<input type="checkbox"/>	<input type="checkbox"/>
2. Credit Report with credit score on each applicant	<input type="checkbox"/>	<input type="checkbox"/>
3. Current market value balance sheet(s) with schedules (including debt schedule) > input in AgPower	<input type="checkbox"/>	<input type="checkbox"/>
4. Pro forma balance sheet and schedules (including debt schedule) > input in AgPower	<input type="checkbox"/>	<input type="checkbox"/>
5. Previous three years (market value preferred, cost basis accepted) balance sheets and schedules > input & upload in AgPower	<input type="checkbox"/>	N/A
6. Tax Returns/Income Statements for previous three years or four years for alternate bearing crops (only two years required for Fast Track) > input & upload in AgPower	<input type="checkbox"/>	<input type="checkbox"/>
7. Pro forma income and expense > input in AgPower	<input type="checkbox"/>	N/A
8. Verification of non-farm income (2 most recent paystubs or most recent W-2 for each applicant employed off-farm)	<input type="checkbox"/>	<input type="checkbox"/>
9. Written debt verifications from major lender(s) of the borrower (if not on the Credit Report)	<input type="checkbox"/>	<input type="checkbox"/>
10. Written mortgage verifications outlining outstanding principal balance and payment history (at least last 24 months); or two most recent 1098's for each mortgage not in the Credit Report	<input type="checkbox"/>	<input type="checkbox"/>
11. Verification of cash, savings, cash value life insurance, marketable bonds and securities, and retirement accounts if material to the credit	<input type="checkbox"/>	<input type="checkbox"/>



## Underwriting Matrix Snapshot

- Most popular programs include:

Loan Program	Fast Track	Full Underwrite	Full Underwrite	AgEquity RLOC	AgAssist
Eligible Pricing Type	Choice	Standard	Choice	Standard	Standard
Total Debt Coverage (See Seller/Service Guide, Section 202.3)	≥ 1.00 for 2 year average	≥ 1.25	≥ 1.50	≥ 1.35; must meet TDC after 3% rate shock	≥ 1.10
Current Ratio	≥ 1.00	≥ 1.25	≥ 1.50	≥ 1.25	≥ 1.00
Debt to Asset	≤ 40%	≤ 50%	≤ 40%	≤ 50%	≤ 60%
Loan-to-Value	≤ 55%	≤ \$5 mil: < 70%* > \$5 mil: 60%	≤ 60%	≤ 50%**	≤ 45% FAMC LTV ≤ 85% CLTV
Credit Score	≥ 720	≥ 680			
Loan Size	No minimum ≤ \$1.5 mil	No minimum ≤ 1000 acres: \$50.0 mil > 1000 acres: \$12.6 mil		Minimum: \$50,000 Maximum: \$12.6 mil	No minimum ≤ 1000 acres: \$50.0 mil > 1000 acres: \$12.6 mil
Cash-Out (See Seller/Service Guide, Section 202.5)	Unlimited	≤ 25%; unlimited cash out if amortization is 15 years or less and LTV is less than 60%.		Allowed if not for consumer purpose.	Unlimited



## Process Overview



## Rebalancing – Times Have Changed

- Explain what happened, tell us the story
- What has changed in the operation to restore profitability?
  - What is their risk management and marketing strategies?
  - Renegotiating high cash rents or eliminating unprofitable rented land?
  - “Hope is not a strategy”
- What is lender’s history with the borrowers?
- What helpful steps is the lender taking?
- Remember Farmer Mac’s “cash-out” limitations
- Try AgAssist, a helpful underwriting option
  - Program to partner with you and help long-term viable farmers

## ***AgAssist Underwriting***

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
AgAssist	$\geq 1.10$	$\geq 1.00$	$\leq 60\%$	$\leq 1000$ acres; \$50.0M $> 1000$ acres; \$12.6M	$\leq 45\%$ FAMC $\leq 85\%$ CLTV	$\geq 680$

- Standard pricing
- Facility loans eligible on a case-by-case basis
- Eligible for cash-out
- 2nd mortgage must be guaranteed by a Federal or State agency
- AgAssist max loan size flexes with guaranteed loan amount
  - Guaranteed loan required to be in a 2nd lien position
  - Guaranteed loan  $\geq 25\%$  of combined 1st & 2nd loan amount



## ***Quick Reminders for Faster Approvals***

- Risk management strategies
- Who is the operating lender?
- Provide detailed pro-forma cash flow
- Historical balance sheets
- Verification items
  - Include names and dates
  - Dates must correlate with the balance sheet date
  - Amounts must reconcile with balance sheet





### ***Recent Updates***

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- New narrative template available (optional)
- AgAssist minimum credit bureau score now 680
- Cow/Calf & Lifestyle Ranch loans now underwritten as Full Underwrite loans
  - Simplified underwriting
  - Eligible for “Choice” pricing
- Under development
  - Scorecard system



## ***Client Services & Credit Operations***

## Client Service in Action

- Support Services
  - New user/seller training – “Getting started”
  - Loan review
  - Guidance – “What’s next?”
- Training Kits
  - The Essentials
  - Request a binder
  - *Resource Library*
- Webinars
  - *farmermac.com*

Client Services  
[ClientServices@FarmerMac.com](mailto:ClientServices@FarmerMac.com)  
866-452-2617



## Resources at Efarmermac.com

### Client Services

[ClientServices@FarmerMac.com](mailto:ClientServices@FarmerMac.com)

866-452-2617

Contact for: general program assistance,  
training, technical issues, loan onboarding &  
processing questions

### Business Development

[Opportunities@FarmerMac.com](mailto:Opportunities@FarmerMac.com)

800-879-3276

Contact for: products & solutions,  
relationship management & marketing

### Rate Lock Desk

[ClientServices@FarmerMac.com](mailto:ClientServices@FarmerMac.com)

800-879-3276

Hours of Operation: 10 a.m. – 3 p.m. ET  
Contact for: rate lock requests,  
extensions & withdrawals

### Underwriting

[Underwriting@FarmerMac.com](mailto:Underwriting@FarmerMac.com)

866-452-2617

Contact for: loan eligibility,  
credit & underwriting

### Servicing

[Servicing@FarmerMac.com](mailto:Servicing@FarmerMac.com)

866-452-2617

Contact for: loan servicing

### Farmer Mac 2

[FM2@FarmerMac.com](mailto:FM2@FarmerMac.com)

877-770-3644

Contact for: USDA Guaranteed loans  
For more information visit  
[www.farmermac2.com](http://www.farmermac2.com)



## ***Long-Term Standby Purchase Commitment Program***

### ***Purchase Commitment Program***

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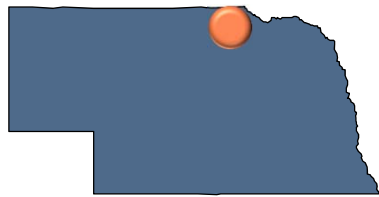
- Product description
  - Lender holds loan(s) in portfolio with the option to sell after 90 days of delinquency
  - Loans are risk weighted at 20% of capital requirements
  - Lender pays Farmer Mac a commitment fee of ≈50 basis points per annum, paid monthly
- Lender benefits
  - Transfer credit risk
  - Increase liquidity and lending capacity
  - Accommodate larger loans
  - Balance sheet growth
- Consult with your regulator on asset treatment



## ***Purchase Commitment Example – Nebraska***

### **Lender Profile**

- Community Bank
  - State Chartered
  - Assets: ≈ \$40M
  - Lending Limit: ≈ \$800K
  - Existing 'PC' pool with regulator approval to exceed legal lending limit



### **Transaction Details**

- R/E refi (balance sheet restructure):
  - Amount: ≈ \$700K
  - 1440 Acre Cow/Calf
  - Bank Priced & Funded
  - 50bps Per Annum
  - 0% Credit Risk
- Lender Comment:

*"The Purchase Commitment allows us to grow as our customers grow. We are now able to accommodate and fully service larger transactions. In addition, the freed-up capital allows us to continue lending."*



***AgVantage® Funding Program***

## ***Does your bank need liquidity?***

- Farmer Mac's AgVantage® portfolio liquidity tool may help!
  - Access a stable source of funds at attractive rates
  - Retain loans in portfolio and manage interest rate risk
  - Flexible terms with fixed, floating, bullet and amortizing debt options
  - Up to 90% advance rates on agricultural mortgages
  - Scalable – The facility can be increased as your business grows
  - Streamlined approval and funding process



## ***AgVantage® – Pricing Example – 10.26.17***

- Semi-annual interest only payments

Maturity	Indicative Rate
30-Day	1.64%
90-Day	1.78%
1-Year	1.89%
3-Year	2.40%
5-Year	2.93%
10-Year	3.83%





***Thank You!***

***Contact Us: [www.farmermac.com](http://www.farmermac.com)***

***Corporate Headquarters (DC): 800-879-3276***

***Underwriting Office (IA): 866-452-2617***