



AgXpress

Our Newest Addition to Farm & Ranch

Financing Rural America®

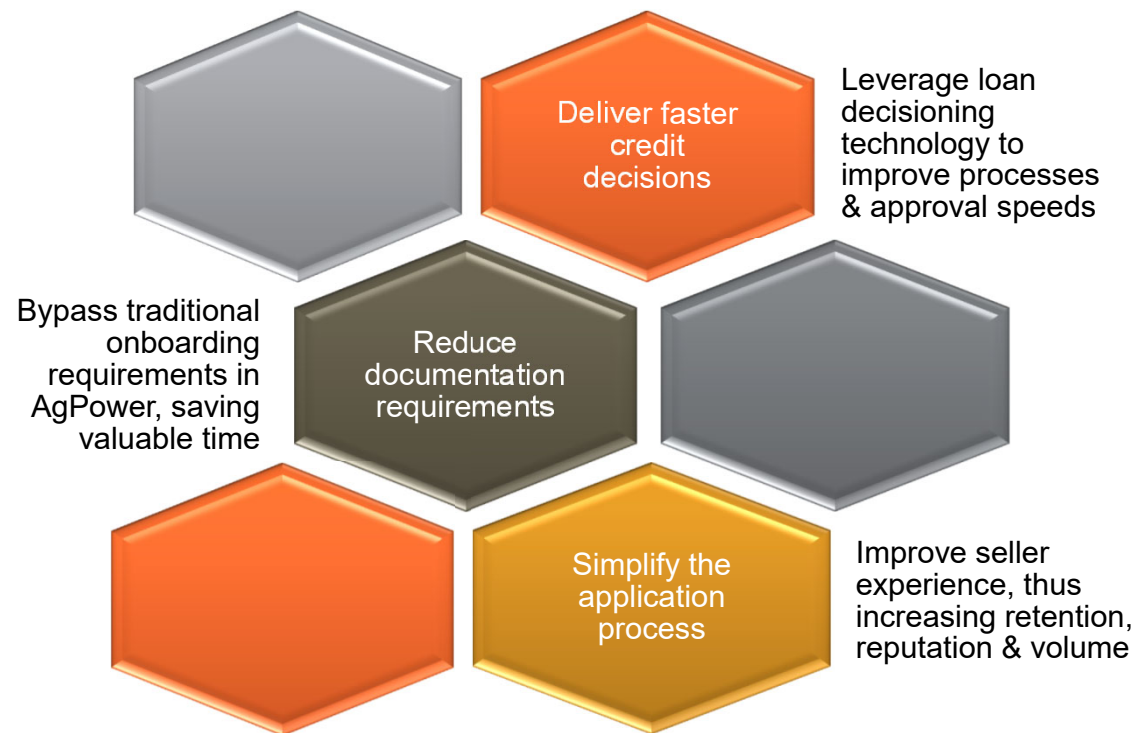
Agenda

- **AgXpress –**
 - What is it?
 - What are the benefits and how is it different from other Farm & Ranch options?
- **Program Parameters –**
 - What's eligible?
 - How will I know if it fits, and what else do I need to know to get started?
- **Loan Submission –**
 - How do I submit an AgXpress loan?
 - What's different compared to Fast Track and Full Underwrite submissions?
- **Plans for Launch –**
 - When is it available?
 - Who do I contact with questions, and are there other training materials?



AgXpress

A new program for Farm & Ranch loan purchases designed to



Key Benefits of AgXpress

THEN

- Collect and submit **a dozen or more** supporting documents (e.g., financials, narrative, credit report, verifications, etc.)
- Varying degrees of time for Sellers to input a complete loan in AgPower
- Average time for FAMC to review and approve a complete loan package: **2 business days**
- No differentiation between loan size and complexity as it relates to process requirements




NOW

- Collect and upload **one document** (e.g., the AgXpress Application)
- Estimated time it will take sellers to input an AgXpress loan in AgPower: **15 minutes**
- Estimated time for FAMC to review and approve a complete AgXpress loan: **a few hours**
- Smaller loans meeting the AgXpress criteria can be processed quickly and easily – giving valuable time back to the Sellers




Program Parameters

- **Max loan size: \$750,000 per applicant (within a 12-month period)**
 - After 12 months of seasoning with no delinquencies, additional loans considered
 - Max aggregate AgXpress exposure of \$1.5 million
 - Total Loan Obligation (TLO) for applicants with existing FAMC loans cannot exceed \$10 MM including AgXpress
- **Max LTV: 55% of total combined bare land and permanent plantings**
 - If the property does not include permanent plantings, the max LTV of 55% is based off of the bare land value only
- **No restrictions on commodities or use of funds**
- **No restrictions on products (Fixed, VRM, ARM)**
- **Monthly or semi-annual payment frequencies**
- **Choice pricing included automatically!**
- **Minimum credit score of 720 for all applicants***
 - * sit tight...more on credit scores and reports later


APPLICATION PROCESS

FARM & RANCH AGXPRESS




AgXpress is a credit score based model, designed to simplify the application process and deliver a faster credit decision. Using AgXpress, you bypass the majority of traditional loan onboarding requirements and substantially reduce the amount of time needed to submit a loan. This package outlines the **Eligibility Parameters**, the **Submission Checklist**, and the **Application** — providing everything you need to get rolling.

ELIGIBILITY PARAMETERS

- ▶ Maximum loan size: \$750,000 per applicant within a 12-month period
 - After 12 months of seasoning with no delinquencies, additional AgXpress loans will be considered
 - Maximum aggregate AgXpress exposure is \$1.5 million
- ▶ Maximum Loan-to-Value (LTV): 55% of bare land value
 - Value of permanent plantings must be included in the bare land value
- ▶ Minimum credit score for all applicants: 720
 - Farmer Mac will pull a credit report
- ▶ Monthly or semi-annual payment frequencies
- ▶ Choice Pricing included
- ▶ No restrictions on commodities
- ▶ No restrictions on use of funds
- ▶ Fixed, Variable, and Adjustable Rate products offered
- ▶ Applicants/borrowers must include all title holders
- ▶ The following are **not** allowed on AgXpress transactions:
 - AgEquity (Revolving Lines of Credit)
 - Highly improved, livestock, and special use facilities
 - Trusts (without an eligible co-borrower and a personal guarantee)
 - Annual payment frequency
 - Cross-collateralization of AgXpress loans

AgXpress — an easier application solution for you and your customers.

 **Lean on us to help you.**

Call Client Services at 866.452.2617 or email ClientServices@FarmerMac.com for assistance.

SUBMISSION CHECKLIST

1. COMPLETE

- ▶ AgXpress Application signed by all applicants
 - Farmer Mac's AgXpress Application must be used and is located within the Resource Library at efarmermac.com
- ▶ Log into efarmermac.com and begin a "New Application" in AgPower. Check "AgXpress Loan." Complete only the "Application" and "Borrower" tabs.

2. SUBMIT

- ▶ Upload the AgXpress Application within the "Communication/Attachment" tab of AgPower
- ▶ Click "Submit Application" button on the "Submit Application" tab in AgPower
- ▶ Once available, upload the appraisal and title work in the "Communication/Attachment" tab in AgPower

3. REVIEW

Farmer Mac will review your loan submission and contact you with questions.

Once a credit decision is made, you will either receive notification of approval and the Preliminary Loan Approval Notice (PLA) will be issued, or you will be contacted by an underwriter for further discussion.

4. CONTINUE

After approval, follow the standard process for appraisal, title, rate lock, closing, and purchase activities.

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QUESTIONS? ClientServices@FarmerMac.com | 866.452.2617 | farmermac.com

Borrower & Property Eligibility...Remains the Same

- ***Farm or ranch real estate secured by a first mortgage***
- ***Parcels of land capable of ag production***
- ***Property may be improved by buildings, fixtures, and permanently attached equipment***
 - Loan-to-value (LTV) will be based off bare land value
 - Value of permanent plantings can be included in the bare land value
- ***Collateral must consist of at least 5 acres or be used to produce annual agricultural receipts of at least \$5,000***
- ***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 with an eligible co-borrower and a personal guarantee are permitted***
- ***Applicants/borrowers must include all title holders***



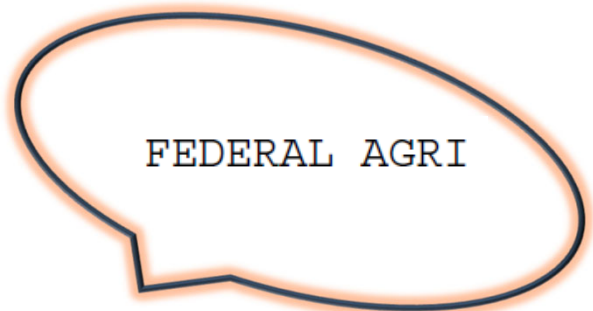
Doesn't Make the Cut

- *Revolving lines of credit (AgEquity)*
- *Highly improved, livestock, and special use facilities*
- *Trusts (without an eligible co-borrower and a personal guarantee)*
- *Annual payment frequency*
 - Necessary to have at least semi-annual payment frequency to assess 12 months of performance (with no DQ's)
- *Cross-collateralization of any AgXpress loans*



Let's Talk Credit Reports

- ***Scoring model is proprietary***
 - Heavily weighted on credit score
 - Other factors are used, although undisclosed
 - A complete, accurate, and signed application is essential
- ***Farmer Mac will pull a credit report on all applicants (hard pull inquiry)***
 - Sellers are not required to pull a credit report, but may do so at their discretion
 - FAMC's credit report will be used regardless of Seller's report or score
 - *TransUnion for individuals and D&B for businesses*
 - FAMC will provide the Seller with a copy upon request
 - *Password protected and uploaded to AgPower*
- ***Credit scores are an important indicator, but not a guarantee***
 - Applicants with credit scores greater than 720 do not guarantee approval



FEDERAL AGRI



Reminders for Success

- ***AgXpress delivers a simpler application process***
 - Parameters provide strong guidelines, but the scoring model isn't black and white
 - FAMC's interest in quality agricultural loans remains the same
- ***Seller due diligence makes a difference – know your customer***
 - Ensures fast turnaround times
 - Yields high approval rates
 - Strengthens program sustainability
 - Encourages future enhancements
- ***We still offer other great programs...***
 - Fast Track
 - Full Underwrite
 - AgEquity (RLOC)
 - AgAssist



Application Process – What's Changed?

- **What do I need to submit an AgXpress loan?**
 - AgXpress Application
- **AgXpress Application Package cover page**
 - Program parameters & loan submission instructions
 - Frequently asked questions...important tips!
- **AgXpress Application**
 - General information on loan request, applicant(s), and property
 - Consolidated balance sheet and income statement
 - Collateral
- **Four-page application must be completed and signed by all applicants and the Seller**
 - Exhibit A (page 5) available for additional applicants

APPLICATION PROCESS

FARM & RANCH AGXPRESS

FARMER MAC

AgXpress is a credit score based model, designed to simplify the application process and deliver a faster credit decision. Using AgXpress, you bypass the majority of traditional loan onboarding requirements and substantially reduce the amount of time needed to submit a loan. This process includes the Submission Checklist, everything you need to get rolling.

AGXPRESS APPLICATION

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Loan Information

Loan Amount Requested: \$ / Bare Land Value: \$ = Projected Loan-to-Value: %
 Bare Land Value: \$ + Value of Improvements: \$ = Total Collateral Value: \$ 0.00
 *Bare Land Value includes permanent plantings, improvements include outbuildings and residences.

Sources of Funds

Description	Amount
Total Sources of Funds	\$ 0.00

Uses of Funds

Description	Amount
Total Use of Funds	\$ 0.00

Total sources of funds should equal total use of funds. (Attach additional exhibits or descriptions to supplement as needed.)
 Is the financing related to any recent (12 months or less) land transactions? If so, please describe the terms of the land purchase, including purchase price:

Application Information — Individual

☐ Primary Applicant ☐ Co-Applicant (Relationship to primary applicant:)

Last Name: First Name: Middle Name: Street Address: City: State: Zip: County: Email: Phone #: Soc. Sec. #: Date of Birth: Years at Current Address: Marital Status: ☐ Married (or separated) ☐ Single (or divorced, unmarried, widowed) Are you a U.S. citizen or a permanent U.S. resident alien? ☐ Yes ☐ No

Application Information — Individual

☐ Primary Applicant ☐ Co-Applicant (Relationship to primary applicant:)

Last Name: First Name: Middle Name: Street Address: City: State: Zip: County: Email: Phone #: Soc. Sec. #: Date of Birth: Years at Current Address: Marital Status: ☐ Married (or separated) ☐ Single (or divorced, unmarried, widowed) Are you a U.S. citizen or a permanent U.S. resident alien? ☐ Yes ☐ No

Application Information — Business Entity

☐ Primary Applicant ☐ Co-Applicant (List your relationship or check your Organization Type:)

Organization Type: ☐ Corporation ☐ Limited Partnership ☐ Limited Liability Corporation ☐ General Partnership ☐ Estate Business Name: Federal Tax ID #: Business Street Address: City: State: Zip: County: Description of Business: Principal/Officer Name and Title: Date of Birth: Percent Ownership: % Principal/Officer Home Address: City: State: Zip: County: Email: Phone #:

Complete Exhibit A for additional individual and/or business applicants.



We Know You're Wondering...



QUESTION	ANSWER
How long will it take to get a credit decision on an AgXpress loan?	Less than one business day (ideally within a few hours), subject to a complete and signed application.
Who must sign the AgXpress application? Are e-signatures acceptable?	All applicants and seller <u>must</u> sign the application. Currently, we do not accept e-signatures on AgXpress applications.
Does the Seller have to get an application signed by the borrower at closing?	The <u>AgXpress</u> application <u>must</u> be signed <u>prior to</u> FAMC scoring the request and issuing a credit decision. The final, signed <u>AgPower</u> application should be collected at closing (as is normal for all standard Farm & Ranch loans).
Does the Seller have to provide FAMC an original signed application or will a copy suffice?	A copy of the signed application is adequate and must be uploaded to AgPower within the Communications/Attachment tab.

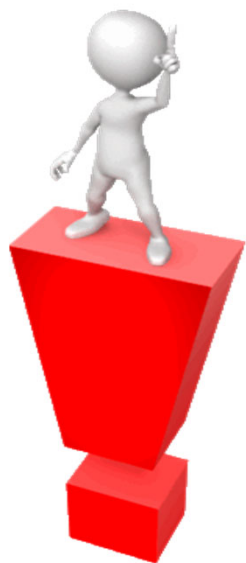


Let's Cover This Too...

QUESTION	ANSWER
How are denials handled?	FAMC will contact the Seller via phone. FAMC will prepare a Denial Notice and issue it to the seller through AgPower.
Who prepares the Denial Notice/Adverse Action Notice (AAN) issued to the applicant(s)?	The Seller is responsible for preparing and issuing the AAN to all applicant(s). FAMC will provide the seller the reasons for denial within the Denial Notice.
May the Seller use their own AAN form and will FAMC review the Seller's version for acceptance?*	Sellers may use their own form, provided it's in compliance with the Equal Credit Opportunity Act (ECOA) and the Fair Credit Reporting Act (FCRA). FAMC will not individually review and approve AAN's. <i>*Sellers should familiarize themselves with the AgXpress information described in the Seller/Service Guide, located at www.efarmermac.com.</i>



We Can't Forget...



QUESTION	ANSWER
Does FAMC have to receive a hard-copy of the AAN or be copied on the communication to the applicant(s)?	FAMC only needs a copy of the AAN. The Seller must upload a copy to AgPower within 10 business days of receiving FAMC's Denial Notice.
If the Seller approves the applicant(s) through a different program, does an AAN still have to be issued?	Yes. An AAN must be issued on all AgXpress denials even if the loan is later approved through other FAMC programs or channels.
If an AgXpress loan is denied, how long must the applicant(s) wait to resubmit?	A loan denied through AgXpress may be immediately reconsidered under another FAMC program and should be resubmitted in accordance with standard loan processes. After 45 days, the applicant(s) may reapply for AgXpress if the applicant(s) have improved or corrected reasons for denial as noted in FAMC's Denial Notice.



Last but Not Least...

QUESTION	ANSWER
Can AgXpress loans be cross-collateralized or cross-defaulted with other FAMC loans?	Cross-collateralization is not allowed on any AgXpress loan. Upon FAMC's request, an AgXpress loan may be cross-defaulted with other FAMC loans.
If the loan is approved and a new title holder shows up on the title work, what happens?	All title holders will be required to sign the application, and the loan will be reevaluated for approval. Please make sure that all title holders are included on the initial application to avoid delays in approval and closing activities.
Can an Estoppel Certificate be used on an AgXpress loan?	All title holders are required to be applicants. In cases where an applicant is not a title holder, an Estoppel Certificate may be used for the non-signing spouse with FAMC's approval.



Let's Get to It - How Do I Submit a Loan?

Log in at www.efarmermac.com → Click on “AgPower”



The screenshot shows the top of the Farmer Mac website. The header features the "FARMER MAC" logo in blue and orange, with the tagline "FINANCING RURAL AMERICA" below it. A navigation menu on the left lists several options: "Contact Us", "Rates", "AgPower", "Preferred Appraisal", "My Profile", "Resource Library", "Annual Certification", and "Logout". The "AgPower" option is circled in red. To the right of the menu, the "Farmer Mac Rates" section is visible, containing a list of links: "Farmer Mac Rates Post Schedule", "Farm and Ranch Loan Purchase Solution", "AgVantage Solution", and "Historical Farmer Mac II COFI Rates".

Click the “Add New Application” button



The screenshot shows the AgPower login page. The "AgPower" logo is prominently displayed at the top. Below the logo, the text "Loan Application Queue" is visible. A red button labeled "Add New Application" is circled in red, indicating the next step in the process.



AgPower Updates for AgXpress

- **AgXpress checkbox – New!**

- ☐ Check “AgXpress Loan?”
- ☐ Select “FTF – Full Underwrite” for the UW Type field
 - The system requires you to select a UW Type even though it will be treated as an AgXpress transaction
 - If the loan is declined through AgXpress, you may resubmit the loan for consideration under FastTrack or Full Underwrite (more details on this in later slides)

The screenshot shows a web form for an AgXpress application. Two elements are circled in orange: the 'AgXpress Loan?' checkbox, which is checked, and the 'UW Type' dropdown menu, which is set to 'FTF - Full Underwrite'. The form includes fields for 'Application Num:', 'Application Description:', 'Number of Entities:' (with a range of 1-15 and a 'Seasoned Loan' checkbox), 'Individual Completing Application:', 'Application Status:' (set to 'New Application'), 'Most Recent Inc/Exp Year:' (with an information icon), and 'Application Date:' (set to 1/17/2019).

AgXpress Loan?	<input checked="" type="checkbox"/>					
Application Num:		Application Status:	New Application ▼			
Application Description:						
Number of Entities:	(1-15) Seasoned Loan <input type="checkbox"/>	UW Type:	FTF - Full Underwrite ▼	Most Recent Inc/Exp Year:		i
Individual Completing Application:			Application Date:	1/17/2019		



AgPower Inputs

- Complete the application page in AgPower and click “Save”
- Fewer tabs appear – **New!**
 1. Complete only the Application and Borrower Info tabs – a significant time savings!
 2. Upload a signed AgXpress Application to the Communication/Attachment tab
 - A narrative is welcome, but not required
 - No supporting documentation required
 3. “Submit” the application on the Submit Application tab

Application Queue	Application	Borrower Info	Amortization	Loan Summary
UW Ratio	Communication/Attachment	Appraisal Checklist	Submit Application	Manual / UW Grid





Special Note: At the start of a new application, if you forget to check this...

AgXpress Loan? 

...the standard tabs will appear at the top of the page
(as you would see for a Fast Track or Full Underwrite loan).

To correct it, simply check the “AgXpress Loan?” checkbox, and the
appropriate tabs will disappear when you refresh the page.
(Helpful hint: click on a different tab to refresh!)



AgXpress Approvals

- ***Once approved, a Preliminary Loan Approval (PLA) notice will be issued***
 - Seller will receive an email notification from AgPower
 - Comments regarding the AgXpress approval will appear in the “Other Specific Requirements” section of the PLA
- ***Next steps***
 - Seller uploads the appraisal and title work upon their receipt
 - **All standard rate lock, appraisal, title, closing, and purchase activities remain the same!**
 - ✓ *As normal, the AgPower application should be printed and signed by all applicants at closing*



AgXpress Denials

- *Underwriter will contact Seller on all denials*
- *Underwriter will upload the FAMC Denial Notice to the Communication/Attachment tab in AgPower*
- *Seller is responsible for preparing and issuing an Adverse Action Notice (AAN) to applicants*
 - FAMC's Denial Notice will include all pertinent information for the AAN
 - Seller must upload a copy of the AAN to the Communications/Attachment tab in AgPower within 10 days of receiving FAMC's denial
 - FAMC will verify the AAN has been uploaded



AgXpress Denials – Loan Resubmission

- A denied loan may be resubmitted for Fast Track or Full Underwrite
- The process looks like this
 1. Seller will duplicate the denied application by clicking the “Duplicate Application” button on the Application tab
 2. Seller will be prompted to confirm the duplication (click “Submit to Duplicate” and “OK”)
 3. A new loan record is generated with a new Application ID assigned
 4. The application status on the new record will reflect “New Application” (once the screen is refreshed)
 5. Seller will uncheck “AgXpress Loan?” and select the preferred “UW Type” (Fast Track or Full Underwrite)
 6. Seller will complete all the standard tabs and fields as normally required for the selected UW Type, upload supporting documentation, and submit the loan
 7. All subsequent activities (i.e., appraisal, rate lock, closing, etc.) follow normal business processes

AgXpress Loan? ☐

Application Num: DC-170018 Application Status: New Application **Duplicate Application** ⓘ

Application Description: MAC LAND LLP

Number of Entities: 3 (1-15) Seasoned Loan ☐ UW Type: FTF - Full Underwrite ⓘ Most Recent Inc/Exp Year: 2016 ⓘ

Individual Completing Application: Seller Name Application Date: 11/16/2017 ⓘ



Ready? Set? Go!

AgXpress “go live” date is March 1, 2019!

*Located in the
Resource Library
at www.efarmermac.com*

- **Don't forget!**
 - Once available, download the **AgXpress Application Package** and review the AgXpress information in the **Seller/Service Guide**
 - *How will you know when they are available? Sign up to receive announcements within “My Profile” at www.efarmermac.com*
- **Request a complete Training Kit or AgXpress inserts from Client Services at...**
ClientServices@farmermac.com or 866-452-2617



Questions About AgXpress?

Business Development
Opportunities@FarmerMac.com

800-879-3276

Contact for: products & solutions, relationship
management & marketing

Underwriting
Underwriting@FarmerMac.com

866-452-2617

Contact for: loan eligibility,
credit & underwriting

Client Services
ClientServices@FarmerMac.com

866-452-2617

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



FARMER MAC

Financing Rural America®



Thank you!



Dr. Dave Kohl : The State of Agriculture & Ag Lending in 2019

Monday, February 4, 2019 | 11:00 AM CT

Join us as Dr. Kohl discusses producer and lender perspectives on the current economic environment. Dr. Kohl will elaborate on why global economics is in a synchronized slow down. The state of the U.S. economy and interest rates will be covered as well.

Come ready to learn more about the latest tools lenders can use in credit analysis, and factors that separate ag borrowers' economic performance.

www.farmermac.com/webinars

