



***Demystifying the Changes to  
the Seller/Service Guide***

## *Why the Changes?*

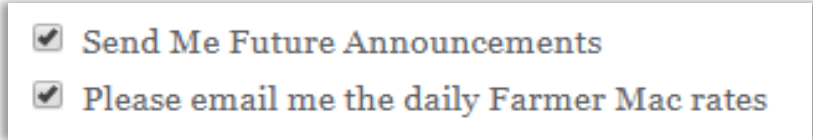
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- Addressing our customer's evolving needs through periodic updates to programs, products, and processes
- Most recent changes – effective August 1, 2018
- Detailed in the “Guide Update Log”
  - Back of Seller/Service Guide
- Download current training materials and guides
  - Resource Library (accessed at [www.efarmermac.com](http://www.efarmermac.com))
  - Contact Client Services for updated Training Kit inserts
    - Visit the Contact Us page at [www.efarmermac.com](http://www.efarmermac.com) for more information



## *In Case You Missed It*

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- Important announcements communicated through email
  - Visit “My Profile” at [efarmermac.com](http://efarmermac.com)
  - Check this, 
- All office hours communicated in Central Time
- Rate Lock Desk phone number updated to 866-452-2617
  - Ensures phone coverage as demand increases
  - Rate lock window period remains unchanged
    - 9:00 a.m. – 2:00 p.m. Central Time



## *Noteworthy Updates*

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- Removed the 60% LTV limitation for Full Underwrite loans greater than \$5 million
- Removed the option for customers to term out only a portion of their AgEquity (revolving line of credit) loan
  - Will consider reinstating with future system functionality
- Lifted the prohibition of AgEquity loans in Texas
  - Sellers are strongly encouraged to use Texas real estate counsel when considering these loans in Texas



# Credit Score Requirements Explained

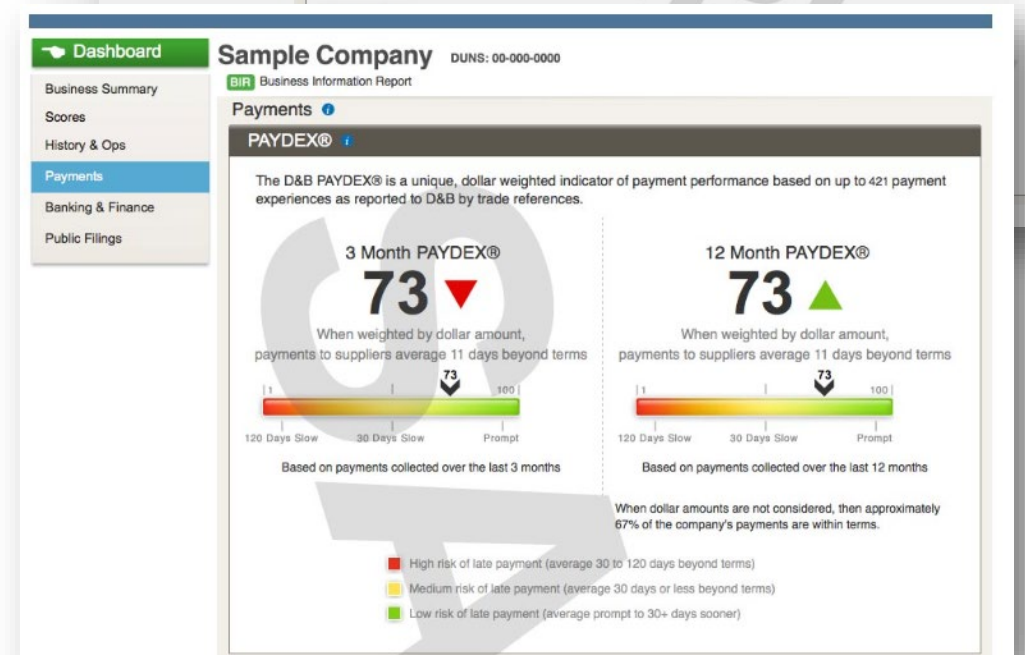
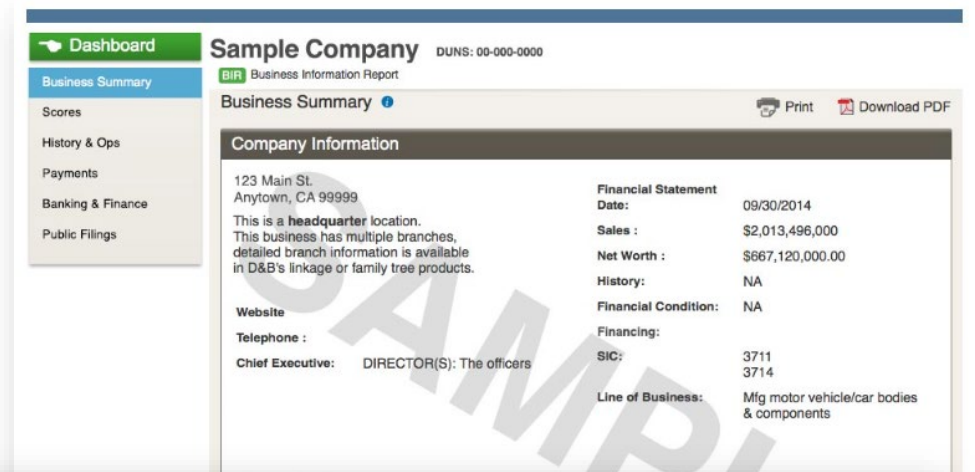
- Individual credit scores (FICO scores) are only required for individual applicants/guarantors
  - Must be obtained from either Experian, Equifax, or TransUnion
    - A tri-merged report is still acceptable (the middle score will be used)
- Business application requests (with no individual applicants/guarantors) require a Dun & Bradstreet PAYDEX Score of 70
  - Scores below 70 will be considered with compensating strengths

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%	<70%*	≤ 60%	≤ 50%**	≤ 45% FAMC LTV ≤ 85% CLTV
Credit Score (FICO) (individual borrowers/guarantors)	≥ 720	≥ 680			
D&B PAYDEX Score (required if no individual borrowers/guarantors)	N/A	≥ 70			



# What is PAYDEX?

- A numerical score granted by D&B to a business as a credit score for the promptness of their payments to creditors
- Visit [www.dandb.com](http://www.dandb.com)
- Select “Products” and “Business Information Reports”
- Step through the self-guided ordering process
- A one-time business report
- \$121.99 for one report or
- Bundles = 10 for \$820 (good for 12 months)



## *Cash-out Clarifications*

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- Revised cash-out guidelines for Full Underwrite loan requests
  - Loans where 10% or more of the proceeds are requested for cash-out purposes are limited to a max. LTV of 60% and max. amort. of 15 years
  - Cash-out defined as proceeds used for the purchase or refinance of any non-business debt, including credit card debt, and cash directly to the borrower
  - Refinance Non-Real Estate Debt: Proceeds used to pay off existing business debts such as operating loans, equipment loans, etc. (provided debt is for business/farming purposes) are no longer considered cash-out
  - No changes to Fast Track loans. Cash-out is unlimited.
- How does this impact my current loan?
  - Contact your Underwriter with questions



# Updated Commodity Pricing Guidelines

Commodity	Price Considerations	
National Corn (state adj.)	\$ 3.75 / bushel	\$ 136 / short ton
National Soybeans (state adj.)	\$ 9.50 / bushel	\$ 325 / short ton
National Wheat (state adj.)	\$ 4.80 / bushel	\$ 157 / short ton
Cotton-Lint	\$ 0.68 / lbs	
Alfalfa (state adj.)	Dependent on region, quality, and expected use	
Milk (National)	\$ 16.25 / cwt Class III	\$ 17.75 / cwt Mailbox
Milk (California)	\$ 14.75 / cwt Class 4b	\$ 15.75 / cwt Mailbox
Cattle & Calves - Beef	\$120.00 / cwt Fat	\$ 150.00 / cwt Feeder
Hogs	Integrator contracts and risk management usage	
Poultry	Integrator contracts and risk management usage	
Wine Grapes	Contracted prices	
Veg./Other Field Crops	Contracted prices	
Almonds	\$ 2.25 / lbs	
Pistachios	\$ 2.10 / lbs	
Walnuts	\$ 1.00 / lbs	

Visit the Resource Library at [efarmermac.com](http://efarmermac.com) for State specific information.





## *Don't Hesitate to Ask*

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- Don't forget to download current versions of all materials
  - Resource Library at [www.efarmermac.com](http://www.efarmermac.com)
- Please contact us with questions

### **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

### **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

