



The Farmer Mac *Forward* communicates important upcoming events and announcements to agricultural lenders. You can learn more about Farmer Mac by visiting the Farmer Mac website (www.farmermac.com), calling 800-879-3276 or emailing opportunities@farmermac.com.

Upcoming Conferences & Events

- July 6:** [Farmer Mac Refresh](#) Dr. Kohl – The Good, Bad and Ugly of Ag & Agri Lending; Webinar
- July 7-8:** [New York Bankers Association](#) Northeast Agribusiness Seminar; Batavia, NY
- July 10-13:** [National Association of Credit Specialists](#) National Convention; Washington, DC
- July 13-15:** [Community Bankers of Iowa](#) 45th Management and Annual Convention; Okoboji, IA
- July 19-20:** [ICBM/UMACC](#) Ag Conference; Austin, MN
- July 20-22:** [Community Bankers Association of Kansas](#) Convention & Tradeshow; Wichita, KS
- July 25-27:** [FCCServices](#) Learning Conference; Austin, TX
- Aug. 3:** [UTM](#) Mid-South Agricultural Finance Conference; Martin, TN
- Aug. 11:** [Community Bankers of Iowa](#) State Fair Conference; Altoona, IA
- Aug. 14-16:** [Independent Community Bankers of ND](#) Convention & Exposition; Bismarck, ND
- Aug. 16-18:** [Community Bankers of Ohio](#) Convention and Trade Show; Columbus, OH
- Aug. 24-25:** [Ohio Bankers League](#) Ag Conference; Columbus, OH
- Aug. 24-25:** [Illinois Bankers Association](#) Ag Banking Conference; Springfield, IL
- Aug. 29-31:** [FCCServices](#) RAAW Conference; Washington, DC
- Sept. 1-2:** [Nebraska Bankers Association](#) Fall Agri-business Conference; Lincoln, NE
- Sept. 12-14:** [Missouri Independent Bankers Association](#) Convention and Exhibition; Lake Ozark, MO
- Sept. 14-16:** [Community Bankers Association of Oklahoma](#) Annual Convention; Oklahoma City, OK
- Sept. 14-16:** [Community Bankers of Michigan](#) Convention & Trade Show; Traverse, MI
- Sept. 18-20:** [Iowa Bankers Association](#) Annual Convention; Des Moines, IA
- Sept. 19-21:** [American Bankers Association](#) CFO Exchange; Charleston, SC
- Sept. 25-28:** [Ohio Bankers League](#) Joint Convention; Amelia Island, FL

News & Updates

AgEquity Revolving Line of Credit – Servicing Changes

We are pleased to continue offering the highly attractive AgEquity Revolving Line of Credit. However, beginning July 1, 2016, there will be some minor but noteworthy changes to the servicing requirements of the AgEquity 10-year draw option. To view the changes please [CLICK HERE](#).

If you are unfamiliar with Farmer Mac's AgEquity product and would like to learn more, please contact your relationship manager or call 800-879-3276 or email opportunities@farmermac.com.

Be sure to read the [full list of changes](#) to the Seller/Servicer Guide at the end of the Forward.

Additional Underwriting Changes

- Rate shocking for all **short-term loan products** (1 Month ARM, 1-yr ARM, and 3-yr ARM) will now be **at 3%** (was previously 5%).
- **Family living expenses** have increased for children/dependents, from **\$5,000 to \$10,000** per dependent.
- Rate shocking for **AgEquity loans** is now **at 3%**. After rate shock, Total Debt Coverage (TDC) must be **≥ 1.35**.
- AgEquity loans with 10-year draw options will be subject to a servicing review at 5 years from the point of purchase (see [AgEquity announcement](#) for more details).

All supporting materials, including, but not limited to product descriptions, UW Grid, and Seller/Servicer Guide have been updated to reflect these changes.

New Program: AgAssist

AgAssist, a new underwriting program is now available to better assist Farmer Mac Approved Lenders finance loans for producers who are looking to restructure their balance sheets due to current economic stress. This program combines a lender-originated Farmer Mac first mortgage loan with a piggy-back second mortgage that is supported by a federal or state loan guarantee program. To learn more [CLICK HERE](#).

New Client Services Division

Farmer Mac is pleased to announce the formation of a new client services division, established to better serve your needs and identify opportunities for program enhancements. Our dedicated client services team will assist you, our sellers and lenders, with on-boarding, training, and new seller orientation programs. Additionally, as you work with us, we encourage you to share candid feedback so that we may improve our programs for your benefit. We strive to build stronger connections with our clients and with this new development we will be better equipped to handle your inquiries successfully and efficiently. To speak to a client services team member today, please email ClientServices@farmermac.com.

Annual Farmer Mac Seller Recertification Process to Begin Soon

In accordance with the Farmer Mac Seller/Servicer Agreement all Farmer Mac Approved Lenders must submit an Annual Seller Certification (ASC). **This year the ASC form has been simplified. The previous year-end net worth and fiscal year net income fields for regulated institutions have been eliminated.** Look out for a forthcoming email from your relationship manager for more information on this change and how to recertify.

In Case You Missed It...

Over 200 lenders from 25 states joined this month's Refresh webinar, Farm & Ranch Program Updates. Topics that were covered included updates to our underwriting guidelines; AgAssist, a new underwriting tool; [AgVisory](#), a new collateral valuation option for Farmer Mac Sellers; an economic update; and a sampling of recent Farm & Ranch transactions from across the country. If you weren't able to participate in this live event, you can still [watch it](#) in its entirety!

Upcoming webinar: "Dr. Kohl – The Good, Bad and Ugly of Agriculture & Agri Lending" on Wed., July 6, at 11:30 AM ET! For more information and to register [CLICK HERE!](#)

The Feed

Summer Edition Coming Soon!

The summer issue of The Feed, Farmer Mac's quarterly perspective on agriculture, will launch the second week of July! If you haven't yet read the Spring Edition, which came out in April, be sure to check it out

for interesting reports and timely updates including a section dedicated to the booming wine, craft beer and hop production industries. [CLICK HERE!](#)

Dave's GPS

Keep Up with Dr. David Kohl Through Farmer Mac

Join us for a free live webinar, “Dr. Kohl – The Good, Bad and Ugly of Agriculture & Agri Lending” on Wed., July 6, at 11:30 AM ET!

For more information and to register [CLICK HERE!](#)



Dr. Kohl spends much of his time traveling the country speaking to bankers and producers about ag finances, trends and outlooks. In today's GPS, **Refinance Screening Guide**, Dr. Kohl discusses how many lenders have expressed concern that while the 2016 renewal season was challenging, they fear that financial conditions will worsen next year and beyond if economic conditions in agriculture and rural areas do not improve. He states that in this environment, it is important to ask critical questions and interject objectivity into the challenge of refinancing. To aid in this process, he examines a method by which to measure risk, or a screening guide for negative margins.

Along with Dave's GPS, see Dr. Kohl's bi-monthly “Dashboard” for his assessment of today's global and domestic economics: [Dave's GPS and Dashboard](#)

Seller/Service Guide Amendment(s):

Section

Change Description

202.1 & 208.1

Clarification that Farmer Mac requires the credit report and balance statements be dated within 90 days of loan submission for all Farm & Ranch loans.

206.2

Additional clarification on the Interest on Early Payment of Installments and Interest on Prepayments in Full or Curtailments paragraphs.

207.4

Clarification that Farmer Mac requires that the credit report be dated within 90 days of loan submission for Fast Track Loans.

209.1

AgEquity loan applications approved on July 1, 2016 and thereafter will be subject to the following condition: Farmer Mac may elect at its sole discretion to terminate the draw period at any time. AgEquity loan documents must contain a requirement for the borrower to provide updated financial information to Farmer Mac at any point in time, upon Farmer Mac's request.

302.5

Item #8 includes additional language to clarify title insurance requirements, Martindale-Hubbell rating change from “BV” to “Martindale-Hubbell Distinguished” and specification that approval by Farmer Mac must be in writing. Additional explanatory language in item #11 clarifying that the acceptance of non Life-of-Loan Flood Determination from Farmer Mac must be in writing.

303.5

Correction to include the 30 year fixed rate product when discussing the pair-off fee.

304.3

Item #5 update regarding language in mortgage or deed of trust. Item #6 update to reflect the Martindale-Hubbell rating change from “BV” to “Martindale-Hubbell Distinguished”.

305.2

Further clarification regarding representations and warranties in Cure, Replacements or Repurchase paragraph.

401.4

Monitoring Flood Insurance Requirements has been updated.

401.7

The annual list, provided by Farmer Mac to Central Servicers, of requested financial statements may now also include AgEquity Lines of Credit.

404.3

Clarification in Prepaid Installments paragraph regarding payments received on any date other than an installment payment date.

All amendments to the Seller/Service Guide can be found within the Resource Library on eFarmermac.com located at www.efarmermac.com/Resource/Index.aspx.