



The Farmer Mac *Forward* is a quarterly newsletter for our network of approved lenders that communicates important changes to the Seller/Service Guide and loan programs, as well as upcoming events and announcements. If you have any questions about the information in this volume, please contact our Client Services team at 866.452.2617 or [clientservices@farmermac.com](mailto:clientservices@farmermac.com).

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## ***Seller/Service Guide Updates and Announcements*** ***Changes to Guide***

We recently made several updates to the Seller/Service Guide. A summary of all changes is listed in the Update Log, located at the end of the Seller/Service Guide which can be found in the Resource Library at [eFarmerMac.com](http://eFarmerMac.com). Please familiarize yourself with these important updates and contact a member of your dedicated Farmer Mac team with questions. A few of the notable changes include:

- Enhancement to the AgXpress Adverse Action Policy – see additional details below, under “Program Changes”
- Acreage exception increased from 1,000 to 2,000 acres due to an amendment to the Farm Bill – see additional details below, under “Program Changes”
- Maximum loan size for loans secured by 2,000 acres or more has been increased to \$13.2 million (formerly \$13.1 million)
- Expanded requirements for Seller Eligibility (Chapter 501)
  - Expanded liquidity, staffing, and controls management requirements
  - Expanded requirements for financial and business information related to the Seller and its lending activities
  - Disclosure of any change or planned change that will affect the Seller’s status or ownership

This list is only a summary– please refer to the Seller/Service Guide for a comprehensive understanding of all changes.

## **Program Changes**

### ***New & Improved AgXpress Adverse Action Policy***

You've asked, and we've listened! We understand it can be stressful when a loan is declined, and the last thing you want is to spend time preparing an Adverse Action Notice (AAN). Beginning August 1, if an AgXpress request is declined, Farmer Mac will prepare an AAN for you and upload it to AgPower, where you will have access to download, place it on your institution's letterhead, sign, and deliver to the applicant. Then simply upload a fully executed copy back into AgPower. This new process will help you quickly and accurately meet the AAN requirements set forth in the Seller/Servicer Guide, without risk of needing to correct and resend the document multiple times.

### ***Acreage Exception Increases From 1,000 to 2,000 Acres***

The Agricultural Improvement Act of 2018, aka the "Farm Bill," included a provision that amended Farmer Mac's charter to expand the acreage exception from 1,000 acres to 2,000 acres. As of June 18, 2020, for loans secured by more than 2,000 acres, the maximum loan size for an individual loan is \$13.2 million, and \$50.0 million for loans secured by 2,000 acres or less. Previously, that cutoff existed at only 1,000 acres.

### ***Special Considerations for Loans \$10 Million or Greater***

If you're considering submitting a loan for \$10 million or greater through the Farm & Ranch Loan Purchase solution, we're standing by to help. Please [contact](#) your Farmer Mac Relationship Manager to discuss pricing and structuring options. The rates posted on our daily rate sheets are indications for loans that are less than \$10 million. (Not applicable to USDA Guarantees.)

### ***Sunsetting Our 7/1 and 10/1 Adjustable Rate Mortgage (ARM) Products***

As communicated on June 29, as part of our LIBOR transition efforts we will be sunsetting our 7/1 and 10/1 ARM loan products via the following *expected* schedule:

- New loan submissions are no longer being credit approved for these two products.
- Loans that are already credit approved may still request rate locks set to these products until **July 31, 2020** (target date). After that date, the two products will no longer be listed on our rate sheets or as an available option in our loan systems.

Please note that no other products will be impacted, and we will continue to offer comparable Variable Rate Mortgage (VRM) products as an alternative.

### ***Reminder: Rate Lock Period Currently Extended to 8 Weeks***

We are continuing to closely monitor the impact of the COVID-19 pandemic on our customers and your borrowers. As communicated on March 19, we are allowing new loans across all business lines to be rate locked with 8-week delivery windows. Previously, 8-week locks were available at an additional cost compared to our standard 4-week period, but that additional cost is currently being waived. If you have questions about this policy, please [contact](#) your relationship manager.

### ***Attention USDA Servicing Action Module Users – New Lockbox Addresses***

Due to the ongoing closure of our physical office locations due to COVID-19, Farmer Mac has secured new lockbox locations for your USDA servicing action transaction fees. Effective immediately, we will begin accepting checks accompanied with your Servicing Action Module (SAM) agreement letter at our two new lockbox facilities instead of at our D.C. offices. If you choose to pay via check, it is important that you use these new addresses to avoid delays in processing your payments. We are still accepting wires via standard instructions. If you have already mailed your check to our D.C. headquarters at 1999 K Street, we

should be able to retrieve it, but we are asking for your understanding with possible delays in processing. The new lockbox addresses and additional instructions can be found [HERE](#).



### ***Protect Your Institution's Info by Updating Your eFarmerMac.com Profile***

Did someone with access to [eFarmerMac.com](#) and its loan systems recently leave your institution? Did your office move? Did you get a new email address? If you answered yes to any of these questions— or have had any other recent changes at your institution that would affect your Farmer Mac accounts— it's time to review your user profile. We are counting on you, our valued customer, to keep your [eFarmerMac.com](#) user profiles up to date. We especially encourage your institution's administrators to be diligent about deleting profiles of users who are no longer employed by your institution.

Keeping your profiles up to date is not only paramount for security reasons, it also ensures that you receive timely loan program and product updates, important announcements, and information about upcoming events.

### ***The New eFarmerMac.com Customer Portal***

On May 11, we successfully launched our redesigned [eFarmerMac.com](#) customer portal. If you haven't checked it out yet, we hope you'll log in to experience the new portal and explore all the great new enhancements that come along with it. We're continuing to monitor and support this launch, and want to thank everyone who has logged in and provided us with feedback. Keep it coming!

We're only just getting started. Next up: In fall 2020, we will be launching an online system hosted on [eFarmerMac.com](#) for a more streamlined path for AgXpress loans, along with many additional enhancements to the scorecard program. We can't wait to share the next stage of this journey with you in the coming months.

### ***News, Events, and Insights***

#### ***Keep Up with Dr. Kohl through Farmer Mac***

Dave's GPS and Dashboard is a bi-monthly blog written by the legendary and well-respected Dr. Dave Kohl, exclusively for Farmer Mac. Follow Farmer Mac on [Facebook](#), [LinkedIn](#), or [Twitter](#) to be first to know when it has been published! His June article, *Priorities of Credit and Risk*, is hot off the press and can be found here: [www.farmermac.com/daves-gps](http://www.farmermac.com/daves-gps). Look for his next ag assessment in August.



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#### ***Webinar with Dr. Kohl!***

Join us for a FREE live webinar, "Agriculture & Ag Lending in a Black Swan Environment," featuring Dr. David Kohl on **Monday, July 20, at 11:00 AM CT**. For more information and to register [CLICK HERE](#).

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### ***The Feed – Summer 2020 Edition is Coming Soon***

The summer edition of The Feed, Farmer Mac's quarterly perspective on agriculture, is coming soon. To subscribe to The Feed and get it delivered straight to your inbox, please [CLICK HERE](#).

Not sure what The Feed is? This Farmer Mac quarterly economic report combines the most relevant research from trusted agricultural resources, and the insightful commentary and analysis from our own team of economists into a single, reliable source in an easy-to-consume format. It is a must-read for all ag lenders and their farm customers. And it's **FREE!** To view prior editions, please [CLICK HERE](#).