New Beginnings – Refresh Webinar

Farmer Mac Solutions

**Farm & Ranch Loan Purchase Solution**
Access competitive, short and long-term financing for farm operations, rural properties, and production agriculture. You originate and sell eligible loans to us, secured by first lien mortgages. You maintain the client relationships. Preserve capital, attract and retain customers, and minimize credit and interest rate risk.

**USDA Guaranteed Loan Purchase Solution**
Sell us the guaranteed portions of your Farm Service Agency (FSA) and Rural Development (RD) loans. Benefits include access to a full suite of loan products, attractive rates, and automated online processes. You retain all loan servicing.

**Credit Protection Solution**
Choose from a guaranteed security solution or a purchase commitment option. With a security solution, we will securitize a set of eligible loans and provide a credit guarantee that ensures payment to the holder of the security. Under the purchase commitment option, you pay an annual fee and we will commit to purchase any of the schedule loans that default. Processes are streamlined and set up is simple.

**Wholesale Financing Solution**
Borrow funds through a facility program by pledging eligible agricultural mortgages as collateral. Facility formation is easy to establish and maintain and can be upsized as your business grows. Cost of fund is extremely competitive. Issuances from the facility are executed quickly upon credit approval.

Finance Rural America®
Becoming a Farmer Mac Seller

Farmer Mac Seller requirements
• Seller application
• Seller/Servicer agreement
• Officers’ Certificate
• Stock ownership

Consolidated Assets Stock Ownership Requirements
• Up to $50 Million 100 shares of Class A or Class C
• $50- $100 Million 200 shares of Class A or Class C
• $100- $500 Million 500 shares of Class A or Class C
• Over $500 Million 1000 shares of Class A or Class C

Application and stock purchase not required for Farmer Mac 2

Farm & Ranch Loan Purchase Program
Recent Transactions

- **State**: Minnesota  
  - **Loan Amount**: $500,000  
  - **Note Rate**: 4.31%  
  - **Field Servicing**: 0.50%  
  - **Product**: 15 Yr. VRM (25 Yr. Term)  
    - Choice Pricing  
    - Semi-Annual Payment

- **State**: South Dakota  
  - **Loan Amount**: $750,000  
  - **Note Rate**: 5.11%  
  - **Field Servicing**: 0.80%  
  - **Product**: 30 Year Fixed  
    - Choice Pricing (AgXpress)  
    - Semi-Annual Payment

- **State**: Indiana  
  - **Loan Amount**: $300,000  
  - **Note Rate**: 4.95%  
  - **Field Servicing**: 0.30%  
  - **Product**: 20 Year Fixed  
    - Choice Pricing  
    - Semi-Annual Payment

- **State**: California  
  - **Loan Amount**: $2,975,000  
  - **Note Rate**: 4.37%  
  - **Field Servicing**: 0.75%  
  - **Product**: 30 Year Fixed  
    - Standard Pricing  
    - Monthly Payment

- **State**: South Dakota  
  - **Loan Amount**: $750,000  
  - **Note Rate**: 5.11%  
  - **Field Servicing**: 0.80%  
  - **Product**: 30 Year Fixed  
    - Choice Pricing (AgXpress)  
    - Semi-Annual Payment

Resource Library

**Important information:**
- Seller/Servicer Guide  
- Product Descriptions  
- Farm & Ranch training guides  
- Narrative Template  
- Required appraisal forms

Collateral Valuation Supplement

Collateral Valuation Forms
- Appraisal (Form 1004A)  
- Assumptions and Limiting Conditions Example (Form 1004A)
- Capitalization Rates (Form 1004A)
- Appraisal Report Example (Form 1004A)
- Standard Valuation Report (Form 1004A)
- Income Approach Example (Form 1004A)
- Market Value Summary (Form 1008)
- Collateral Inspection Report (Form 1008)
- Allocation Table (Form 1008)
- Collateral Inspection Report (Form 1008)

Farm & Ranch Training Materials
- AgXpress Application Package  
- AgXpress Application Package User Guide  
- Underwriting Matrix  
- Application Checklist  
- Appraisal Guide  
- Title Guide  
- Rate Lock Guide  
- Closing Guide  
- Seller/Servicer Guide  
- APM User Guide  
- Administrative Guide
Property & Borrower Eligibility

Eligible Farm & Ranch Loans

- Farm or ranch real estate secured by a first mortgage
- Properties
  - Parcels of land capable of producing agricultural commodities or products
  - May be improved by buildings, fixtures, and equipment permanently attached
  - No minimum or maximum acreage requirement
  - Less than 5 acres must produce $5,000 or more in annual ag income
- 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

<table>
<thead>
<tr>
<th>Application Checklist</th>
<th>Full Underwrite</th>
<th>Full Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Detailed Narrative analysis of character, capital, capacity, collateral, and condition</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2. SCAFE report or all loans over $750,000. Applies to all borrowers/guarantors. Reports must be within 90 days of loan submission and married up to align with the balance sheet.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3. Credit report with credit score for each applicant (within 90 days) (if a bankruptcy report is submitted, the middle score will be used).</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4. Current reprofiled borrower balance sheet with schedules (within 90 days) (excluding debt schedule &gt; input in AgPower)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5. Pre-form balance sheet and schedules (excluding debt schedule &gt; input in AgPower)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>6. Previous three years (market value preferred) cost basis accepted balance sheets and schedules = input &amp; updated in AgPower</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>7. Tax Returns/Income Statements for previous three years or four years for alternate farming crops and two years required for Real Estate &gt; input &amp; updated in AgPower</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>8. Pre-form income and expenses &gt; input in AgPower</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>9. Verification of non-farm income tax from most recent paystub or most recent W-2 for each applicant employed offfarm</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>10. Netted debt verification from major lender(s) of the borrower (if not on the credit report)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>11. Written mortgage verifications outlining outstanding principal balance and payment history (at least last 24 months), or two most recent 1099’s for each mortgage not on this credit report</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>12. Verification of cash, savings, cash value life insurance, marketable bonds and securities, and retirement accounts. If material to the credit</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Underwriting Matrix Snapshot

Underwriting categories
- Most popular:
  - Fast Track, Full Underwrite, AgEquity RLOC
- Other options include:
  - AgAssist, Seasoned loans, Cattle, Timber, Poultry, Swine, Dairy, Agribusiness and Production Facilities

Pricing qualifications
- Standard pricing: competitive pricing for borrowers who meet general standards
- Choice pricing: preferred pricing for stronger borrowers/credits

<table>
<thead>
<tr>
<th>Eligible Pricing Type</th>
<th>Fast Track</th>
<th>Full Underwrite</th>
<th>Full Underwrite</th>
<th>AgEquity RLOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Program</td>
<td>Choice</td>
<td>Standard</td>
<td>Choice</td>
<td>Standard</td>
</tr>
<tr>
<td>Total Debt Coverage</td>
<td>≤ 1.5x for 2 year average</td>
<td>≥ 1.15</td>
<td>≥ 1.50</td>
<td>≥ 1.25, each real 700 after 9% rate shock</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>≥ 1.50</td>
<td>≥ 1.15</td>
<td>≥ 1.50</td>
<td>≥ 1.25</td>
</tr>
<tr>
<td>Debt to Asset</td>
<td>≤ 40%</td>
<td>≤ 50%</td>
<td>≤ 40%</td>
<td>≤ 50%</td>
</tr>
<tr>
<td>Loan to Value</td>
<td>≤ 75%</td>
<td>≤ 70%</td>
<td>≤ 60%</td>
<td>≤ 60%</td>
</tr>
<tr>
<td>Credit Score (FICO)</td>
<td>&gt; 720</td>
<td>&gt; 680</td>
<td>&gt; 680</td>
<td>&gt; 680</td>
</tr>
<tr>
<td>D&amp;B PRISIX Score</td>
<td>No minimum ≤ 5.5 mil</td>
<td>No minimum ≤ 500 acres: 650 mil ≤ 5000 acres: 13.5 mil</td>
<td>Minimum: $50,000 Maximum: $13.5 mil</td>
<td>No minimum ≤ 500 acres: 650 mil ≤ 5000 acres: 13.5 mil</td>
</tr>
<tr>
<td>Loan Size</td>
<td>Unlimited</td>
<td>≤ 50%</td>
<td>≤ 50%</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Recent Tax Delinquent</td>
<td>2 years</td>
<td>Minimum 3 years, 3 years outstanding</td>
<td>Minimum 3 years, 3 years outstanding</td>
<td>Minimum 3 years, 3 years outstanding</td>
</tr>
</tbody>
</table>

Fast Track

Automatically qualifies for Choice pricing
No exceptions to standards
Full Underwrite - Standard Pricing

Properties with agricultural improvements exceeding 60% of the appraised value will be treated as facility loans.

Full Underwrite - Choice Pricing

Agricultural improvements cannot exceed 60% of the appraised value.
No exceptions to standards.
**AgEquity Revolving Line of Credit**

Funds are used for agriculture or business purposes

5-year or 10-year draw period

Semi-annual interest payments due on January 1 and July 1

**AgAssist**

Facility loans eligible on a case-by-case basis

Example: $1,000,000 request, Federal or State agency loans need to be at least $250,000 or more
Getting Started – Loan Submission

1. REVIEW Product Guide, Underwriting Matrix, and Daily Rate Sheet to assess product interest and eligibility.

2. GATHER the required information according to the Application Checklist. Include a complete Narrative with your application package to ensure prompt turnaround times.

3. COMPLETE a new application in AgPower and upload supporting documents using your assigned login. Access AgPower at efarmermac.com. Contact Client Services for assistance.

Loan Application Queue
Add New Application

Financing Rural America

Loan Submission Continued

4. RECEIVE a credit decision generally within two business days. Access your Preliminary Loan Approval Notice within the AgPower queue under "Documents."

5. ORDER an appraisal and preliminary title report in accordance with the Appraisal and Title Guides.

6. SUBMIT appraisal and title reports under the "Communication/Attachment" tab within AgPower. Ensure the reports meet the terms of engagement and first lien position requirements.
Loan Submission Continued

7. RECEIVE the Conditions Prior to Funding via AgPower once Farmer Mac has assessed the appraisal and title work.

Farmer Mac issues a Closing Instruction Letter to your assigned Central Servicer (CS), who will coordinate closing activities with you.

8. RATE LOCK by calling the Rate Lock Desk at 866.452.2617 between 9 a.m. – 2 p.m. C.T., referring to the Rate Lock Guide for instructions.

Have the Preliminary Loan Approval Notice nearby when rate locking.

Related tabs & button displayed in AgPower...

Rate Lock Info Rate Lock Est Req Purchase Req

Send Data To PPDocs

9. ASSEMBLE closing documents, which may be prepared by your organization, through an attorney, or through PPDocs Inc. (ppdocs.com), in accordance with the Closing Guide. Complete the “Purchase Request” tab in AgPower two business days prior to loan funding.

Work with the Central Servicer to review documents, coordinate closing, and finalize loan purchase.

10. PERFORM ongoing field servicing duties, which may include monitoring taxes and insurance, property inspections, filing UCC continuations, and collecting annual financials, as described in the Field Servicer Guide.

Central Servicer bills and collects payments; remitting field servicing fees to you as payments are received. Refer to Closing and Field Servicing Guides for more detail.

AgXpress
AgXpress Parameters

Max loan size: $750,000 per applicant (within a 12-month period)
  • After 12 months of seasoning & no delinquencies, additional loans considered
  • Max aggregate AgXpress exposure of $1.5 million
  • Total maximum exposure for an existing FAMC borrower (and affiliates) 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
  • Improvements are allowed, but will not be used in the LTV calculation

No restrictions on commodities or use of funds
No restrictions on products (Fixed, VRM)
Monthly or semi-annual payment frequencies
Choice Pricing automatically applies
Recommended minimum credit score of 720 for all applicants
General Farmer Mac underwriting guidelines apply

AgXpress Application Package

Download the most recent version of the AgXpress Application Package at www.efarmermac.com within the Resource Library
Package outlines the Eligibility Parameters, Submission Checklist, Frequently Asked Questions and the Application
**SUBMISSION CHECKLIST**

**COMPLETE**
- Signed AgXpress Application.
  - Farmer Mac’s AgXpress Application must be used and is located within the Resource Library at www.farmermac.com.
  - Log into www.farmermac.com and begin a “New Application” in AgPower. Check “AgXpress Loan”. Complete only the “Application” and “Borrower Info” tabs.

**SUBMIT**
- Upload the AgXpress Application within the “Communication/Attachment” tab of AgPower.
- Click the “Submit Application” button on the “Submit Application” tab in AgPower.
- Once available, with or after application, upload the appraisal and title work in the “Communication/Attachment” tab in AgPower.

**REVIEW**
Farmer Mac will review your loan submission and contact you with questions.
- Once a credit decision is made, you will either receive a notification of approval (a Preliminary Loan Approval (PLA) notice will be issued) or denial (a Denial Notice will be issued).
- Please refer to the Seller/Servicer Guide within the Resource Library for obligations related to AgXpress denials.

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

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**Next Steps**

Start Application in AgPower
Complete Application and Borrower Info tab
**Next Steps**

Upload a signed application in the Communication/attachment tab within AgPower

Upload any additional documents that can help with the approval process (e.g., several sellers provide additional information on the borrower’s operation in a one page document helping to obtain an approval)

Submit Application

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**Farm & Ranch Rates – 9.30.19**

<table>
<thead>
<tr>
<th>Products</th>
<th>Term</th>
<th>Amortization</th>
<th>Standard Rates</th>
<th>Choice Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgEquity VRM</td>
<td>25</td>
<td>30</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>1-month VRM</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>1-year VRM</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>3-year VRM</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>3-year VRM</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>5-year VRM</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>5-year VRM</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>30</td>
</tr>
</tbody>
</table>

Note: New loan products

*Note: New 35bps rate difference between Standard and Choice.*
## Farm & Ranch Rates – 9.30.19

<table>
<thead>
<tr>
<th>Products</th>
<th>Term</th>
<th>Amortization</th>
<th>Choice Reset Margin</th>
<th>Standard Rates</th>
<th>Choice Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1 ARM</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>3.25%</td>
<td>3.73%</td>
</tr>
<tr>
<td>10/1 ARM</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>3.25%</td>
<td>3.86%</td>
</tr>
</tbody>
</table>

Note: New 35bps rate difference between Standard and Choice.

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<table>
<thead>
<tr>
<th>Products</th>
<th>Term</th>
<th>Amortization</th>
<th>Standard Rates</th>
<th>Choice Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-year VRM</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>10-year VRM</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>15-year VRM</td>
<td>20</td>
<td>20</td>
<td>4.17%</td>
<td>3.82%</td>
</tr>
<tr>
<td>15-year VRM</td>
<td>25</td>
<td>30</td>
<td>25</td>
<td>30</td>
</tr>
</tbody>
</table>

---

*Note: New 35bps rate difference between Standard and Choice.*
### Farm & Ranch Rates – 9.30.19

<table>
<thead>
<tr>
<th>Products</th>
<th>Term</th>
<th>Amortization</th>
<th>Standard Rates</th>
<th>Choice Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-year Fixed</td>
<td>7</td>
<td>15</td>
<td>20</td>
<td>3.78%</td>
</tr>
<tr>
<td>10-year Fixed</td>
<td>10</td>
<td>10</td>
<td>3.99%</td>
<td>3.64%</td>
</tr>
<tr>
<td>15-year Fixed</td>
<td>15</td>
<td>15</td>
<td>4.02%</td>
<td>3.67%</td>
</tr>
<tr>
<td>15-year Fixed</td>
<td>15</td>
<td>25</td>
<td>4.20%</td>
<td>3.85%</td>
</tr>
<tr>
<td>20-year Fixed</td>
<td>20</td>
<td>20</td>
<td>4.13%</td>
<td>3.78%</td>
</tr>
<tr>
<td>25-year Fixed</td>
<td>25</td>
<td>25</td>
<td>4.24%</td>
<td>3.89%</td>
</tr>
<tr>
<td>30-year Fixed</td>
<td>30</td>
<td>30</td>
<td>4.33%</td>
<td>3.98%</td>
</tr>
</tbody>
</table>

*Note: New 35bps rate difference between Standard and Choice.*

### Important Footnotes

- Rates are indicative
- Rate lock hours: 9:00 am to 2:00 pm central time
  - 800-452-2617
- Semi-annual payment rates are posted
  - Add 15 bps for annual pay
  - Subtract 5 bps for monthly pay
- 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

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**Average Field Servicing**

The map shows average field servicing rates across different states.

- Most states have rates ranging from 0.5 to 1.28.
- Some states such as TX and FL have rates slightly above 1.0.
- Lower rates are seen in states like WA and CA, with most states averaging around 0.8 to 0.9.

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**FARMER MAC**

*Financing Rural America*
Farmer Mac 2

Eligible USDA Programs

- Farm Service Agency
  - Farm Ownership Loans
  - Operating Term Loans
  - Conservation Loans
- Rural Development
  - Business and Industry Loans
  - Community Facility Loans
  - Water and Environmental Loans
### 2019 Loan Statistics (as of 7.1.19)

<table>
<thead>
<tr>
<th>Products</th>
<th>Loans</th>
<th>Servicing Fees Wgt Avg</th>
<th>Net Yield Wgt Avg</th>
<th>Volume</th>
<th>Volume as % of Total</th>
<th>Average Loan Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Month COFI</td>
<td>18</td>
<td>5.07%</td>
<td>3.75%</td>
<td>$3,944,700</td>
<td>2%</td>
<td>$219,150</td>
</tr>
<tr>
<td>5-Year COFI</td>
<td>13</td>
<td>2.05%</td>
<td>1.75%</td>
<td>$8,973,782</td>
<td>5%</td>
<td>$690,291</td>
</tr>
<tr>
<td>10-Year COFI</td>
<td>22</td>
<td>1.21%</td>
<td>4.12%</td>
<td>$8,612,473</td>
<td>5%</td>
<td>$391,476</td>
</tr>
<tr>
<td>15-Year COFI</td>
<td>81</td>
<td>1.04%</td>
<td>4.42%</td>
<td>$37,330,052</td>
<td>21%</td>
<td>$460,865</td>
</tr>
<tr>
<td>7-Year Fixed, Full Am</td>
<td>26</td>
<td>1.84%</td>
<td>3.77%</td>
<td>$6,458,639</td>
<td>4%</td>
<td>$248,409</td>
</tr>
<tr>
<td>7-Year Fixed, 15-Yr Am</td>
<td>6</td>
<td>1.68%</td>
<td>3.85%</td>
<td>$1,605,898</td>
<td>1%</td>
<td>$267,650</td>
</tr>
<tr>
<td>10-Year Fixed, Full Am</td>
<td>7</td>
<td>1.22%</td>
<td>3.99%</td>
<td>$2,110,870</td>
<td>1%</td>
<td>$301,553</td>
</tr>
<tr>
<td>15-Year Fixed, Full Am</td>
<td>35</td>
<td>1.25%</td>
<td>4.03%</td>
<td>$17,777,259</td>
<td>10%</td>
<td>$507,922</td>
</tr>
<tr>
<td>15-Year Fixed, 25-Yr Am</td>
<td>8</td>
<td>0.99%</td>
<td>4.29%</td>
<td>$4,660,261</td>
<td>3%</td>
<td>$582,533</td>
</tr>
<tr>
<td>20-Year Fixed</td>
<td>63</td>
<td>0.89%</td>
<td>4.17%</td>
<td>$35,385,714</td>
<td>20%</td>
<td>$561,678</td>
</tr>
<tr>
<td>25-Year Fixed</td>
<td>15</td>
<td>0.96%</td>
<td>4.64%</td>
<td>$6,583,724</td>
<td>4%</td>
<td>$438,915</td>
</tr>
<tr>
<td>30-Year Fixed</td>
<td>128</td>
<td>1.06%</td>
<td>4.86%</td>
<td>$41,760,003</td>
<td>24%</td>
<td>$326,250</td>
</tr>
<tr>
<td>422</td>
<td>1.22%</td>
<td>1.12%</td>
<td>4.34%</td>
<td>$175,203,374</td>
<td>100%</td>
<td>$415,174</td>
</tr>
</tbody>
</table>

### FSA Guaranteed Loans – Other Opportunities

**Direct Farm Ownership Down Payment Loan**
- “5-45-50 Program” for underserved & beginning farmers
- 5% borrower down payment
- 45% FSA direct loan with $300,150 maximum
- 50% bank loan that is eligible for a 95% guarantee, no fee, and is required to have a minimum 30-year amortization

**Direct Farm Ownership Joint Financing Loan**
- “50-50 Program” combining a FSA direct loan with a traditional bank loan (can be guaranteed)

**FSA Direct Loan Graduations**
- Refinance a FSA direct loan and the commercial lenders receives higher guarantee percentage and lower fee

**Farmer Mac AgAssist**
- Piggyback loan with bank originated 1st mortgage and a bank originated FSA guaranteed 2nd mortgage
  - Both loans salable to Farmer Mac
  - Extend guaranteed loan amount maximums (currently $1,750,000)
Recent FSA Example

“This was an existing client who initially used FSA’s beginning farmer program about 5 years ago to purchase approximately 100 acres of farmland. Recently, an opportunity to acquire a hog barn came along for our customer. While the repayment capacity was strong, our borrower’s equity requirement didn’t meet our internal guidelines. Obtaining the Farm Ownership guarantee gave us the comfort level to finance this transaction for our customer.”

- Ag Banker

<table>
<thead>
<tr>
<th>Guarantee Type</th>
<th>FSA – Farm Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date</td>
<td>9/5/2019</td>
</tr>
<tr>
<td>Guarantee Percent</td>
<td>95%</td>
</tr>
<tr>
<td>Guarantee Amount</td>
<td>$380,000</td>
</tr>
<tr>
<td>Product</td>
<td>10-Yr Fixed</td>
</tr>
<tr>
<td>Note Rate</td>
<td>3.80%</td>
</tr>
<tr>
<td>Servicing Fee</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

Recent FSA Example

“These longtime customers farm over 700 acres raising corn, soybeans and hay. They also own some beef cattle. When they recently approached the bank with a request to finance an additional 160 tillable acres and seek a long-term rate, we came up with a plan to utilize FSA’s 50/50 program. The bank obtained a guarantee on its portion of the financing and sold it to Farmer Mac. The low direct rate through FSA combined with the long-term rate through the secondary market allowed our borrowers to receive attractive financing by fixing interest rate costs.”

- Bank CEO

<table>
<thead>
<tr>
<th>Guarantee Type</th>
<th>FSA – Farm Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date</td>
<td>8/20/2019</td>
</tr>
<tr>
<td>Guarantee Percent</td>
<td>90%</td>
</tr>
<tr>
<td>Guarantee Amount</td>
<td>$477,900</td>
</tr>
<tr>
<td>Product</td>
<td>30-Yr Fixed</td>
</tr>
<tr>
<td>Note Rate</td>
<td>4.75%</td>
</tr>
<tr>
<td>Servicing Fee</td>
<td>1.40%</td>
</tr>
</tbody>
</table>
Recent FSA Example

“This hog producer was a new client to our bank and looking to make some changes by expanding his custom feeding operation. The operation was already highly leveraged and cashflow was tight. The ratios were simply outside of our in-house guidelines. Seeking an FSA guarantee allowed us to bring in this relationship from a local competitor and at the same we were able to provide attractive financing through the secondary market.”

- Community Bank Market President

<table>
<thead>
<tr>
<th>Guarantee Type</th>
<th>FSA – Farm Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Date</td>
<td>8/29/2019</td>
</tr>
<tr>
<td>Guarantee Percent</td>
<td>90%</td>
</tr>
<tr>
<td>Guarantee Amount</td>
<td>$1,260,000</td>
</tr>
<tr>
<td>Product</td>
<td>15-Yr Fixed</td>
</tr>
<tr>
<td>Note Rate</td>
<td>4.15%</td>
</tr>
<tr>
<td>Servicing Fee</td>
<td>1.14%</td>
</tr>
</tbody>
</table>

How Farmer Mac 2 Works

$1,000,000 Farm Loan with a 90% FSA Guarantee

Lender retains 10% of the balance: $100,000

FM2 purchases 90% of the balance: $900,000

Lender retains 100% of the Loan Servicing
Advantages of Utilizing Farmer Mac 2

- No Farmer Mac underwriting
- Lender services 100% of the loan
- Centralized FM2 Program Administrator
- Lender receives fee income over life of the loan
- Average servicing fee is over 100 bps
- Competitive rate sheet, including long-term fixed rates
- Customizable terms
- No prepayment penalties
- Flexible servicing action options

Steps to Success

1. Identify borrower eligible for a USDA Guarantee
2. Work with USDA to get a Conditional Commitment
3. Settle with Farmer Mac 2
4. Maintain direct relationship with borrower
5. Report payments to Conterra
Documents for Review

- Loan Guarantee
- Assignment of Guarantee
- Promissory note

Farmer Mac 2 Rate Sheet – 9.30.19

<table>
<thead>
<tr>
<th>Products</th>
<th>Annual, S.A., &amp; Qrtly Pay 4-Week Rate Lock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wall Street Journal Prime</td>
<td>3.50%</td>
</tr>
<tr>
<td>Farmer Mac 3-Mo COFI</td>
<td>3.27%</td>
</tr>
<tr>
<td>Farmer Mac 5-Yr Reset COFI, 20-,25-,30-Yr Am</td>
<td>2.98%</td>
</tr>
<tr>
<td>Farmer Mac 10-Yr Reset COFI, 20-,25-,30-Yr Am</td>
<td>3.26%</td>
</tr>
<tr>
<td>Farmer Mac 15-Yr Reset COFI, 20-,25-,30-Yr Am</td>
<td>3.34%</td>
</tr>
<tr>
<td>7-yr Fixed Rate, 7-Yr Am</td>
<td>2.95%</td>
</tr>
<tr>
<td>7-yr Fixed Rate, 15-Yr Am</td>
<td>2.96%</td>
</tr>
<tr>
<td>10-yr Fixed Rate, 10-Yr Am</td>
<td>2.95%</td>
</tr>
<tr>
<td>15-yr Fixed Rate, 15-Yr Am</td>
<td>3.08%</td>
</tr>
<tr>
<td>15-yr Fixed Rate, 25-Yr Am</td>
<td>3.33%</td>
</tr>
<tr>
<td>20-yr Fixed Rate, 20-Yr Am</td>
<td>3.19%</td>
</tr>
<tr>
<td>25-yr Fixed Rate, 25-Yr Am</td>
<td>3.27%</td>
</tr>
<tr>
<td>30-yr Fixed Rate, 30-Yr Am</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

Note: New competitive rates
**Value of a Loan Servicing Fee Annuity**

<table>
<thead>
<tr>
<th>Payment</th>
<th>GP Balance</th>
<th>Payment Amount</th>
<th>Servicing Fee</th>
<th>Cumulative Servicing Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$900,000</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$9,000</td>
</tr>
<tr>
<td>2</td>
<td>$884,325</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$17,843</td>
</tr>
<tr>
<td>3</td>
<td>$868,000</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$26,523</td>
</tr>
<tr>
<td>4</td>
<td>$851,000</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$35,033</td>
</tr>
<tr>
<td>5</td>
<td>$833,296</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$43,366</td>
</tr>
<tr>
<td>6</td>
<td>$814,859</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$51,515</td>
</tr>
<tr>
<td>7</td>
<td>$795,659</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$59,472</td>
</tr>
<tr>
<td>8</td>
<td>$775,664</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$67,229</td>
</tr>
<tr>
<td>9</td>
<td>$754,841</td>
<td>$52,935</td>
<td>1.00%</td>
<td>$74,777</td>
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<tr>
<td>10</td>
<td>$733,156</td>
<td>$53,935</td>
<td>1.00%</td>
<td>$82,109</td>
</tr>
</tbody>
</table>

**Relationship Managers**

- Mark Richels, Manager - Business Development
- Niki Gray, Relationship Manager
- Larry Jones, Senior Relationship Manager
- Sarah Prince, Relationship Manager
- Patrick Karrigan, VP - Business Development
- Marniah Gables, Associate Relationship Manager
- Jack Memoset, Relationship Manager
- Lon Miller, Senior Relationship Manager
Resources at Efarmermac.com

Client Services
ClientServices@FarmerMac.com
866-452-2617
Contact for: general program assistance, training, technical issues, loan onboarding & processing questions

Underwriting
Underwriting@FarmerMac.com
866-452-2617
Contact for: loan eligibility, credit & underwriting

Business Development
Opportunities@FarmerMac.com
800-879-3276
Contact for: products & solutions, relationship management & marketing

Servicing
Servicing@FarmerMac.com
866-452-2617
Contact for: loan servicing

Rate Lock Desk
ClientLockDesk@FarmerMac.com
800-879-3276
Hours of Operation: 10 a.m. – 3 p.m. ET
Contact for: rate lock requests, extensions & withdrawals

Farmer Mac 2
FM2@FarmerMac.com
877-770-5444
Contact for: USDA Guaranteed loans
For more information visit
www.farmermac2.com

Thank You

Contact Us: www.farmermac.com

Corporate Headquarters (DC): 800-879-3276
Underwriting Office (IA): 866-452-2617