Welcome and Introductions
Today’s Presenters

• Patrick Kerrigan
  Director - Business Development
  Washington, DC
  pkerrigan@farmermac.com

• Jim Soppe
  Assistant Manager – Loan Underwriting
  Johnston, IA
  jsoppe@farmermac.com
Corporate Update
Farmer Mac Overview

Created in the 1980s to help prevent future agricultural credit crises

- Provide wholesale financing, secondary market and credit enhancements for agricultural and rural utilities lenders (rural credit)
- Increase access to rural credit and drive more efficient credit pricing
- Reduce rural credit market volatility by increasing liquidity and lending capacity for rural lenders

Lines of business – focused on customers

- Farm & Ranch
- USDA Guarantees
- Rural Utilities
- Institutional Credit

Diverse product suite provided to customers

- Loan purchases
- Wholesale financing
- Credit protection

1987
Farmer Mac initially chartered by Congress as an instrumentality of the United States

1996
First major charter revision and expansion of authority (direct loan purchases)

1998
Outstanding business volume reaches $1 billion

1999
First listed on NYSE (AGM & AGMA)

2008
Second major charter revision and expansion of authority (Rural Utilities)
Outstanding business volume reaches $10 billion
F&R Loans Portfolio Diversification

AS OF JUNE 30, 2015

By Commodity Type

- Crops: 56%
- Livestock: 22%
- Permanent Plantings: 17%
- Part-time Farm: 3%
- Ag. Storage and Processing: 2%

By Geographic Region

- Southwest: 31%
- Mid-North: 35%
- Mid-South: 12%
- Northeast: 4%
- Southeast: 7%
- Northwest: 11%
As of June 30, 2015 total guarantees outstanding was $15.1 billion
Outstanding Business Volume

12% CAGR (1999 to 2014)
FAMC Underwriting
<table>
<thead>
<tr>
<th>UW Type</th>
<th>% by Count</th>
<th>% by Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Track</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>AgEquity</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Full UW-Choice</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Full UW-Standard</td>
<td>42%</td>
<td>52%</td>
</tr>
</tbody>
</table>

- 29% by volume received Choice Pricing
- 1.28 day decision with a complete loan application
- 83% of loans submitted were approved
- 80% of approved loans were purchased
Eligible Borrowers and Properties

- Eligible Farm & Ranch Loans
  - Types of loans
    - Must be first mortgage farm or ranch real estate loans
    - Revolving lines of credit are available if first mortgage secured
  - Properties
    - Parcels of land capable of producing ag commodities or products
    - May be improved by buildings, fixtures and equipment permanently attached
    - No minimum or maximum acreage requirement
  - 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
# Underwriting Grid

<table>
<thead>
<tr>
<th></th>
<th>Fast Track</th>
<th>Full UW Standard</th>
<th>Full UW Choice Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Loan Size</td>
<td>$1,000k</td>
<td>$12.3/$50m</td>
<td>$12.3/$50m</td>
</tr>
<tr>
<td>Loan-to-Value Ratio</td>
<td>55%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Debt to Asset Ratio</td>
<td>40%</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>1:1</td>
<td>1.25:1</td>
<td>1.50:1</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>1:1</td>
<td>1.25:1</td>
<td>1.50:1</td>
</tr>
<tr>
<td>Credit Scores</td>
<td>720</td>
<td>680</td>
<td>680</td>
</tr>
<tr>
<td>Tax Return</td>
<td>2-Yrs</td>
<td>3-Yrs</td>
<td>3-Yrs</td>
</tr>
</tbody>
</table>

# Fast Track

<table>
<thead>
<tr>
<th>Underwriting Option</th>
<th>Total Debt Coverage Ratio</th>
<th>Current Ratio</th>
<th>Debt to Asset Ratio</th>
<th>Maximum Loan Amount</th>
<th>Loan to Value</th>
<th>Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Track</td>
<td>≥1.00</td>
<td>≥1.00</td>
<td>≤40%</td>
<td>$1 Million</td>
<td>≤ 55%</td>
<td>≥720</td>
</tr>
</tbody>
</table>

- No cash-out restrictions
- Agricultural improvements cannot exceed 40% of the appraised value
- Automatically qualify for choice pricing
- No exceptions to standards
Full Underwrite - Standard Pricing

<table>
<thead>
<tr>
<th>Underwriting Option</th>
<th>Total Debt Coverage Ratio</th>
<th>Current Ratio</th>
<th>Debt to Asset Ratio</th>
<th>Maximum Loan Amount</th>
<th>Loan to Value</th>
<th>Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Underwrite</td>
<td>≥1.25</td>
<td>≥1.25</td>
<td>≤50%</td>
<td>≤ 1000 acres; $50M</td>
<td>≤ $5M; 70%</td>
<td>≥680</td>
</tr>
<tr>
<td>Standard</td>
<td></td>
<td></td>
<td></td>
<td>≥ 1000 acres; $12.3M</td>
<td>≥ $5M; 60%</td>
<td></td>
</tr>
</tbody>
</table>

* Geographical restrictions apply

- Loans where cash-out request exceeds 25% of the loan amount, must have an amortization no greater than 15 years and LTV at 60% or less, with compensating strengths.

- LTV is limited to 60% for ND, SD, MN, IA, IL, IN, OH, MO, NE, all other states 70% if TDC ≥ 1.50 & no exceptions for CR and D/A.

- Properties with agricultural improvements exceeding 60% of the appraised value will be treated as facility loans.
## Full Underwrite - Choice Pricing

<table>
<thead>
<tr>
<th>Underwriting Option</th>
<th>Total Debt Coverage Ratio</th>
<th>Current Ratio</th>
<th>Debt to Asset Ratio</th>
<th>Maximum Loan Amount</th>
<th>Loan to Value</th>
<th>Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Underwrite Choice</td>
<td>≥1.50</td>
<td>≥1.50</td>
<td>≤40%</td>
<td>≤ 1000 acres; $50M</td>
<td>≤ 60%</td>
<td>≥680</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>≥ 1000 acres; $12.3M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Loans where cash-out request exceeds 25% of the loan amount, must have an amortization no greater than 15 years and LTV at 60% or less, with compensating strengths.

- Agricultural improvements cannot exceed 60% of the appraised value.

- No exceptions to standards.
AgEquity LOC

<table>
<thead>
<tr>
<th>Underwriting Option</th>
<th>Total Debt Coverage Ratio</th>
<th>Current Ratio</th>
<th>Debt to Asset Ratio</th>
<th>Maximum Loan Amount</th>
<th>Loan to Value</th>
<th>Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgEquity LOC</td>
<td>≥1.35</td>
<td>≥1.25</td>
<td>≤50%</td>
<td>≤ 1000 acres; $50M</td>
<td>≤ 50% bare land value</td>
<td>≥680</td>
</tr>
</tbody>
</table>

- Funds are used for agriculture or business purposes
- Customer chooses 5 year or 10 year draw period
- Semi-Annual interest payments due on January 1 and July 1
- Minimum $2,500 draw; unlimited draws
- Improved properties are acceptable but improvements including permanent plantings are not valued when determining LTV
## AgAssist – New Option

<table>
<thead>
<tr>
<th>Underwriting Option</th>
<th>Total Debt Coverage Ratio</th>
<th>Current Ratio</th>
<th>Debt to Asset Ratio</th>
<th>Maximum Loan Amount</th>
<th>Loan to Value</th>
<th>Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgAssist</td>
<td>≥1.10</td>
<td>≥1.00</td>
<td>≤60%</td>
<td>≤ 1000 acres; $50.0M</td>
<td>≤ 45% FAMC</td>
<td>≥680</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>≥ 1000 acres; $12.3M</td>
<td>≤ 85% CLTV</td>
<td></td>
</tr>
</tbody>
</table>

- Standard pricing
- Facility loans eligible on a case by case basis
- Eligible for cash-out
- 2nd mortgage must be guaranteed by a Federal or State agency
- AgAssist max loan size flexes with guaranteed loan amount
  - Guaranteed loan required to be in a 2nd lien position
  - Guaranteed loan ≥ 25% of combined 1st & 2nd loan amount
FAMC Credit Updates
Underwriting changes

- **Swine Facility Loans**
  - The original guidelines limited the term and amortization to 10 years. The new guidelines have been changed for new facilities. All other guidelines remain unchanged.

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>10 years</td>
<td>10-15 years</td>
</tr>
<tr>
<td>Amortization</td>
<td>10 years</td>
<td>10 years for existing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15 years for new</td>
</tr>
</tbody>
</table>
Field Servicing Fee

• The maximum field servicing fee for AgEquity loans has been increased from 75 basis points to 100 basis points.

• The maximum field servicing fee remains at 150 basis points for all other Farm & Ranch underwriting programs.
Max Borrower Exposure and Loan Size

• The maximum borrower exposure has increased from $30 million to $50 million.
• The maximum amount for a loan to be qualified for a Farmer Mac Farm and Ranch program has been increased to $12.3 million (formerly $12 million) for loans secured by more than 1,000 acres.
• The maximum loan size for loans secured by 1,000 acres or less is $50 million.
Non-Obligor Spouse Options

Option 1: Prenuptial Agreement

Option 2: Net Worth Adjustment

Option 3: Estoppel Certificate
Example of Estoppel Certificate

Non-participating Spouse’s Estoppel Certificate

Date: __________________________

Borrower: __________________________

Borrower’s Mailing Address: __________________________

Non-participating Spouse: __________________________

Non-participating Spouse’s Mailing Address: __________________________

Guarantor (if different than Borrower): __________________________

Guarantor’s Mailing Address (if different than Borrower): __________________________

Lender: __________________________

Lender’s Mailing Address: __________________________

Lender’s Note: Note dated __________ in the original principal amount of $ __________, executed by Borrower and payable to Lender (the “Loan”) and [check if applicable] ☐ Guaranteed by Guarantor.

Property: __________________________

Non-participating Spouse certifies to Lender the following:

1) The assets indicated in the financial statement(s) (the “Financial Statements”) of Borrower (and Guarantor, if applicable) attached hereto as Exhibit A are subject to the liabilities of the Borrower (and Guarantor, if applicable), created by the above described Loan regardless of the ownership, title, vesting, and/or community/separate property nature of those properties listed without the further consent or action of Non-participating Spouse.

2) Non-participating Spouse hereby subordinates any right, title, interest and/or claim that Non-participating Spouse might have in the assets listed on the Financial Statements to 100% of the liability created by the Borrower’s execution of (and Guarantor’s guaranty of, if applicable) the Loan.

Non-participating Spouse understands that Lender will rely on this information in connection with the closing of the Loan.

Non-participating Spouse:

__________________________
Steps to Submit a Loan
Information to Gather from Applicant

- 3-4 years
- Subsidiary Entities, if applicable

**Tax Returns**

- Current, market value within 90 days
- Historical Balance Sheets

**Balance Sheets**

- If applicable
  - Land leases
  - Production contracts

**Copies of Contracts & Agreements**

- Current assets
- Debt balances
- Verifications need applicant’s name and date

**Verifications of Assets & Liabilities**

- Credit report dated within 60 days

**Signed Credit Release Authorization**

- Tax returns can be signed at closing
- Environmental Disclosure

**Signed Loan Application**
Loan Approval Steps

• Meet with your customer; explain product options
• Package credit using Farmer Mac’s AgPower (Loan Origination System)
• Once submitted, Farmer Mac reviews loan package
• Responds to Seller within two business days
• Issues preliminary loan approval letter
Appraisal and Title Steps

• Seller engages an appraiser
  – Must be a state certified general appraiser

• Seller orders preliminary title report
  – Forward original “pdf” version of title report (or title opinion if located in Iowa) to Farmer Mac

• Seller reviews appraisal report to ensure it meets the terms of engagement

• Seller uploads appraisal report and preliminary title report/title opinion into AgPower

• After Farmer Mac’s assessment and approval, these items and the remainder of the file is forwarded to the Central Servicer who assists you with loan closing (instruction letter sent to C.S.)
Why Choose Contour Valuation Services

1. Easy Ordering Process
2. Quality Appraisals
3. Quick Turn Time
4. Nationwide Coverage
5. Aligned with Farmer Mac
6. Efficiency Gains
Easy Ordering Process

• Dedicated staff to assist with every step of the process:
  – Order an Appraisal: Visit www.Contourvs.com; Click On “Find an Appraiser” or Call: (855) 381-3451
  – Communication: Status updates are sent frequently
  – Electronic Delivery: Final reports are emailed to the client
Farm & Ranch (F&R) Rates

- Seller calls Farmer Mac’s rate lock desk (10-3 ET)
- Indicative rates posted daily
- Seller adds Field Servicing Fee
  - 10 bps to 150 bps
  - Typical fee 50-60 bps
  - A Commitment to Purchase is provided via AgPower, by Farmer Mac, outlining the terms to be placed in the note

- Mandatory delivery
  - 1% pair-off fee
  - Extensions allowed

Rob Owens
Manager – Capital Markets

Mike Schmid
Trader – Capital Markets
Closing Documents

• Seller works with Central Servicer to prepare the note and other closing documents for the loan product selected using the Rate Lock Information Tab/Screen in AgPower
  – Seller uses in-house loan closing document preparation program
  – Seller uses online web-based closing document preparation service, PiersonPatterson (ppdocs.com)
Loan Closing Options

• **Table Funding** – Loan is closed at title office by title officer or attorney’s office doing title opinion (Iowa only)

• **Purchase Closed Loans** – Loan is closed at Seller institution by Seller
Post-Sale Servicing

• Central Servicing - responsibility of Farmer Mac
  – Assists Sellers in closing
  – Bills the customer

• Field Servicing - responsibility of the Seller
  – Maintain ongoing relationship with the customer
  – Ensure compliance with loan documents
  – Monitor payment of real estate taxes, hazard insurance
  – File UCC continuations
  – If requested, forward annual balance sheet and tax returns or inspect the security
Benefits

• Data integrity and communication
  – Everybody works from same document
• Direct access for all authorized users with Seller institution
• Long-term access to files
• Easier to use PPDocs
Steps to Submit Loan

• With general idea of loan amount, LTV, credit score, D/A ratio and total debt coverage ratio, focus on one of three submission options:
  – Fast Track
  – Full Underwrite – Standard
  – Full Underwrite – Choice
Delivering the capital and commitment rural America deserves.

VIEW OUR PRODUCTS & SOLUTIONS

Farmer Mac is the stockholder-owned company created to deliver capital and increase lender competition for the benefit of American agriculture and rural communities. For more than a quarter-century, Farmer Mac has been a vital partner helping America’s rural lenders meet the evolving needs of
Login

Please enter your user name and password to login to the Farmer Mac Website.

If you have forgotten your password, please click on the forgot password button below to reset your password.

User Name/Email: test@farmermac.com
Password: ********

Login  Forgot Password

Log in to secured area by entering user ID and password

Resource Library
Visit our Resource Library for important documents such as the Seller/Servicer Guide and Collateral Valuation Supplement and many more.
Click on “Enter” to Access Farmer Mac I Applications
Farmer Mac Rates

Labor Day Holiday Hours

The Farmer Mac Cash Window will be closed on Monday September 7th. Normal hours will resume Tuesday September 8th at 10:00AM EST.

In addition, the Farmer Mac Cash Window will close at 12:00PM EST on Friday September 4th.

- Farmer Mac Rates Post Schedule
- Farmer Mac I: Farm and Ranch Loan Program
- Farmer Mac II LLC Rates
- Historical Farmer Mac II LLC COFI Rates
- AgVantage Rates
Click on “Documents” and pop-up box appears

Select “Add New Application”
Top 10 List for a Quicker Turn Around
#1 Narratives

- Use Farmer Mac’s 10 Questions and Information to Gather Documents
  - Use answers from 10 Questions to write your narrative
    - The Background section is usually where most questions come from. For example:
      - Scope of operations
      - Risk management strategies
  - Gather the necessary information for a Full Underwrite so you don’t have to go back to the borrower
**#1 Narratives**

- **Signing Entities**
  - The individual’s interest in signing entities should be shown on their personal balance sheet.
  - This equity is then eliminated on the consolidated balance sheet.
#1 Narratives

• Explain Variances in Cash Flow
  – When there are variances from year to year provide explanation as to why
  – If the proforma cash flow differs significantly from the historical information, please explain

• Provide the Detailed Proforma Income and Expense projections
  – Prices used
  – Estimated yields
  – Thought process, etc.
#1 Narratives

- Detailed Information Regarding the Collateral:
  - Talk about the location of the collateral including legal and physical access to the property
  - Discuss the marketability and desirability of the property
  - Detail any improvements on the property and their condition
  - Estimate the percentage value the improvements will contribute to the overall property value
  - State whether or not the collateral serves as the applicant’s primary residence
  - Discuss irrigation water and equipment
Interest Rate & Product Review
## Farm & Ranch Popular Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Term</th>
<th>Amort.</th>
<th>Reset Margin</th>
<th>Standard Rate</th>
<th>Choice Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag Equity LIBOR</td>
<td>20/25/30</td>
<td>varies</td>
<td>1.80%</td>
<td>2.01%</td>
<td>-</td>
</tr>
<tr>
<td>1-Mo ARM LIBOR*</td>
<td>15</td>
<td>15/25</td>
<td>1.50%</td>
<td>2.00%</td>
<td>1.80%</td>
</tr>
<tr>
<td>5-Yr ARM</td>
<td>15</td>
<td>15/25</td>
<td>2.30%</td>
<td>3.70%</td>
<td>3.50%</td>
</tr>
<tr>
<td>10/1 ARM*</td>
<td>15</td>
<td>15/25</td>
<td>-</td>
<td>3.94%</td>
<td>3.74%</td>
</tr>
<tr>
<td>10-Yr VRM*</td>
<td>15/20</td>
<td>15/20</td>
<td>-</td>
<td>4.52%</td>
<td>4.32%</td>
</tr>
<tr>
<td>10-Yr VRM*</td>
<td>25/30</td>
<td>25/30</td>
<td>-</td>
<td>4.62%</td>
<td>4.42%</td>
</tr>
<tr>
<td>10-Yr Fixed*</td>
<td>10</td>
<td>10</td>
<td>-</td>
<td>4.21%</td>
<td>4.01%</td>
</tr>
<tr>
<td>15-Yr Fixed*</td>
<td>15</td>
<td>15</td>
<td>-</td>
<td>4.51%</td>
<td>4.31%</td>
</tr>
<tr>
<td>15-Yr Fixed*</td>
<td>15</td>
<td>25</td>
<td>-</td>
<td>4.86%</td>
<td>4.66%</td>
</tr>
<tr>
<td>20-Year Fixed</td>
<td>20</td>
<td>20</td>
<td>-</td>
<td>4.73%</td>
<td>4.53%</td>
</tr>
</tbody>
</table>

*ICBA Discount Available  *ABA Discount Available
Quoting the Note Rate

- Farmer Mac’s Net Yield (Posted Rate)
- Field Servicing Fee
- Rate Lock Period
- Standard or Choice Pricing
- ABA or ICBA Member Products
- Payment Schedule Options
Farm & Ranch
Field Servicing Fees
## Farm & Ranch Field Servicing Fees

<table>
<thead>
<tr>
<th>Popular Products</th>
<th>2013</th>
<th>2014</th>
<th>5-Year Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag Equity LIBOR</td>
<td>0.63%</td>
<td>0.67%</td>
<td>0.63%</td>
</tr>
<tr>
<td>1-Month ARM LIBOR</td>
<td>0.97%</td>
<td>1.02%</td>
<td>0.88%</td>
</tr>
<tr>
<td>5-Year ARM</td>
<td>0.87%</td>
<td>0.83%</td>
<td>0.85%</td>
</tr>
<tr>
<td>10/1 ARM</td>
<td>0.56%</td>
<td>0.58%</td>
<td>0.57%</td>
</tr>
<tr>
<td>10-Year VRM / 30 Year Am.</td>
<td>0.75%</td>
<td>0.49%</td>
<td>0.70%</td>
</tr>
<tr>
<td>10-Year Fixed</td>
<td>0.56%</td>
<td>0.59%</td>
<td>0.56%</td>
</tr>
<tr>
<td>15-Year Fixed</td>
<td>0.57%</td>
<td>0.63%</td>
<td>0.60%</td>
</tr>
<tr>
<td>20-Year Fixed</td>
<td>0.45%</td>
<td>0.56%</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>All Farm &amp; Ranch Products</strong></td>
<td><strong>0.66%</strong></td>
<td><strong>0.68%</strong></td>
<td><strong>0.66%</strong></td>
</tr>
</tbody>
</table>
Recent Transactions
Recent Transactions - Iowa

Transaction Details

- Full Underwrite
- Loan Amount: $1,100,000
- 10/1 ARM, 15 yr. Term
- Semi-Annual Payments
- 46% LTV on 300 ac.
- Standard Pricing
- 4.38% Note Rate
- 0.63% Field Servicing Fee
- Timeline: 86 calendar days
- Refinance of existing real estate debt

Peer Analysis Data

- Commodity:
  - Corn
- Gross Farm Income:
  - $250,001 to $500,000
- Region:
  - Mid-North
Recent Transactions - South Dakota

Transaction Details

• Fast Track
• Loan Amount: $850,000
• 15 yr. Fixed
• Semi-Annual Payments
• 34% LTV on 420 ac.
• Choice Pricing
• 4.36% Note Rate
• 0.50% Field Servicing Fee
• Timeline: 102 calendar days
• Refinance

Peer Analysis Data

• Commodity:
  – Soybeans
• Gross Farm Income:
  – $500,001 to $1,000,000
• Region:
  – Mid-North
Program Overview

Farm Service Agency
- Farm Ownership
- Operating-Term
- Conservation

Rural Development
- Business & Industry
- Community Facility
- Water & Environmental
Streamlined Process

- No Farmer Mac underwriting analysis
- Lender receives fee income over life of the loan
- Transaction is transparent to the applicant
- No selling group requirements by Farmer Mac
- New loans and seasoned loans allowed
- No maximum or minimum loan size
- No prepayment penalties
## Farmer Mac 2 Rate Sheet

**11/18/2015**

<table>
<thead>
<tr>
<th>Product</th>
<th>Monthly Pay Cash</th>
<th>Monthly Pay 4-Week Rate Lock</th>
<th>Annual, S.A. &amp; Quarterly Pay Cash</th>
<th>Annual, S.A. &amp; Quarterly Pay 4-Week Rate Lock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wall Street Journal Prime</td>
<td>1.75%</td>
<td>N/A</td>
<td>1.75%</td>
<td>N/A</td>
</tr>
<tr>
<td>FAMC 3-Mo COFI</td>
<td>1.57%</td>
<td>N/A</td>
<td>1.57%</td>
<td>N/A</td>
</tr>
<tr>
<td>FAMC 5-Yr Reset COFI 20, 25, 30-Yr Amort.</td>
<td>2.85%</td>
<td>2.94%</td>
<td>2.95%</td>
<td>3.04%</td>
</tr>
<tr>
<td>FAMC 10-Yr Reset COFI 20, 25, 30-Yr Amort.</td>
<td>3.42%</td>
<td>3.51%</td>
<td>3.52%</td>
<td>3.61%</td>
</tr>
<tr>
<td>FAMC 15-Yr Reset COFI 20, 25, 30-Yr Amort.</td>
<td>3.79%</td>
<td>3.88%</td>
<td>3.89%</td>
<td>3.98%</td>
</tr>
<tr>
<td>7-Yr Fixed, 7-Yr Amort.</td>
<td>2.75%</td>
<td>2.84%</td>
<td>2.85%</td>
<td>2.94%</td>
</tr>
<tr>
<td>7-Yr Fixed, 15-Yr Amort.</td>
<td>2.99%</td>
<td>3.08%</td>
<td>3.09%</td>
<td>3.18%</td>
</tr>
<tr>
<td>10-Yr Fixed, 10-Yr Amort.</td>
<td>3.07%</td>
<td>3.16%</td>
<td>3.17%</td>
<td>3.26%</td>
</tr>
<tr>
<td>15-Yr Fixed, 15-Yr Amort.</td>
<td>3.41%</td>
<td>3.50%</td>
<td>3.51%</td>
<td>3.60%</td>
</tr>
<tr>
<td>15-Yr Fixed, 25-Yr Amort.</td>
<td>3.70%</td>
<td>3.79%</td>
<td>3.80%</td>
<td>3.89%</td>
</tr>
<tr>
<td>20-Yr Fixed, 20-Yr Amort.</td>
<td>3.73%</td>
<td>3.82%</td>
<td>3.83%</td>
<td>3.92%</td>
</tr>
</tbody>
</table>
## Farmer Mac 2 Product Trends

### Guaranteed Portions Purchased - 1/1/15 to 6/30/15

<table>
<thead>
<tr>
<th>Products</th>
<th>Loans</th>
<th>Servicing Fees Wgt Avg</th>
<th>Servicing Fees Median</th>
<th>Net Yield Wgt Avg</th>
<th>Volume</th>
<th>Volume as % of Total</th>
<th>Avg Loan Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Month COFI</td>
<td>68</td>
<td>3.15%</td>
<td>4.75%</td>
<td>1.46%</td>
<td>$14,926,054</td>
<td>7%</td>
<td>$219,501</td>
</tr>
<tr>
<td>Prime</td>
<td>11</td>
<td>1.24%</td>
<td>1.00%</td>
<td>1.56%</td>
<td>$14,971,648</td>
<td>7%</td>
<td>$1,361,059</td>
</tr>
<tr>
<td>5-Year COFI</td>
<td>24</td>
<td>1.90%</td>
<td>2.00%</td>
<td>2.70%</td>
<td>$7,350,794</td>
<td>3%</td>
<td>$306,283</td>
</tr>
<tr>
<td>Fixed 7-Years</td>
<td>45</td>
<td>1.58%</td>
<td>1.29%</td>
<td>2.71%</td>
<td>$10,449,993</td>
<td>5%</td>
<td>$232,222</td>
</tr>
<tr>
<td>Fixed 7Yr, 15Am</td>
<td>6</td>
<td>1.27%</td>
<td>1.10%</td>
<td>2.88%</td>
<td>$2,449,368</td>
<td>1%</td>
<td>$408,228</td>
</tr>
<tr>
<td>10-Year COFI</td>
<td>28</td>
<td>1.12%</td>
<td>1.13%</td>
<td>3.39%</td>
<td>$14,464,378</td>
<td>7%</td>
<td>$516,585</td>
</tr>
<tr>
<td>Fixed-10 Years</td>
<td>9</td>
<td>1.00%</td>
<td>1.15%</td>
<td>3.10%</td>
<td>$2,270,702</td>
<td>1%</td>
<td>$252,300</td>
</tr>
<tr>
<td>15-Year COFI</td>
<td>156</td>
<td>0.97%</td>
<td>1.00%</td>
<td>3.71%</td>
<td>$65,644,993</td>
<td>31%</td>
<td>$420,801</td>
</tr>
<tr>
<td>Fixed-15 Years</td>
<td>51</td>
<td>1.41%</td>
<td>1.26%</td>
<td>3.37%</td>
<td>$18,102,791</td>
<td>8%</td>
<td>$354,957</td>
</tr>
<tr>
<td>Fixed-15Yr, 25Am</td>
<td>14</td>
<td>1.10%</td>
<td>1.23%</td>
<td>3.68%</td>
<td>$7,809,838</td>
<td>4%</td>
<td>$557,846</td>
</tr>
<tr>
<td>Fixed – 20 Years</td>
<td>148</td>
<td>1.15%</td>
<td>1.15%</td>
<td>3.65%</td>
<td>$54,570,485</td>
<td>26%</td>
<td>$368,719</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>560</td>
<td><strong>1.31%</strong></td>
<td><strong>1.19%</strong></td>
<td><strong>3.24%</strong></td>
<td><strong>$213,011,044</strong></td>
<td><strong>100%</strong></td>
<td><strong>$380,377</strong></td>
</tr>
</tbody>
</table>
Farmer Mac II Transactions- Ohio

Transaction Details

• Farm Ownership
• $615,000 Principal Balance
• $553,500 Guarantee, 90%
• $61,500 Retained Balance
• 15-Yr Reset, 30-Yr. Am.
• Semi-Annual Payments
• Note Rate: 5.00%
• Servicing Spread: 1.00%

Year 1 Seller Income

$5,535 Sold Portion Income
+ $3,075 Retained Portion Income
$8,610 Year 1 Seller Income

$8,610 (Year 1 Income)/
$61,500 (Retained Balance)= 14.00% Gross Rate of Return
Marketing Ideas and Comments
## Marketing Strategies

<table>
<thead>
<tr>
<th>Offensive</th>
<th>Defensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opens new doors and opportunities</td>
<td>Offer a variety of long-term fixed rates to customers</td>
</tr>
<tr>
<td>Proactive marketing to grow portfolio</td>
<td>Prevent customer from shopping other lenders</td>
</tr>
<tr>
<td>Increase cross-sell opportunities</td>
<td>Continue relationship with larger producers who may exceed Seller’s lending limit</td>
</tr>
</tbody>
</table>
Co-Branded Borrower Brochure

- Lender’s choice of front cover

For the long term

More choices for financing your farm.
Co-Branded Borrower Brochure

Lock your interest rate and take the guesswork out of future loan payments.

Our partnership with Farmer Mac brings strong risk management to your balance sheet.

How Farmer Mac works for you

Farmer Mac has a wide range of loan products, and we help you select the rate and terms that best match your financial needs. We complete the Farmer Mac application and approval process, and then make you a loan that Farmer Mac purchases. Other loans, checking and savings accounts that you have with us are not affected by the sale of your real estate loan to Farmer Mac. And we can answer any future questions you may have about the loan we have placed with Farmer Mac.

This partnership with Farmer Mac allows us to bring the financial strength of the nation’s premier secondary market for agriculture right to your farm. Ask us about bringing the certainty of a Farmer Mac long-term fixed rate mortgage to your balance sheet. It is a smart choice for today’s agriculture.

Financing Rural America

9898 Rosemont Ave. #202
Lone Tree, CO 80124
866.929.5585

Farmer Mac
Approved Lender
Becoming a Farmer Mac Seller

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

<table>
<thead>
<tr>
<th>Consolidated Assets</th>
<th>Stock Ownership Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $50 Million</td>
<td>100 shares of Class A or Class C</td>
</tr>
<tr>
<td>$50- $100 Million</td>
<td>200 shares of Class A or Class C</td>
</tr>
<tr>
<td>$100- $500 Million</td>
<td>500 shares of Class A or Class C</td>
</tr>
<tr>
<td>Over $500 Million</td>
<td>2000 shares of Class A or Class C</td>
</tr>
</tbody>
</table>

• Seller application and stock purchase not required for Farmer Mac 2
Thank You

Contact Us: www.farmermac.com

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