



Road Show

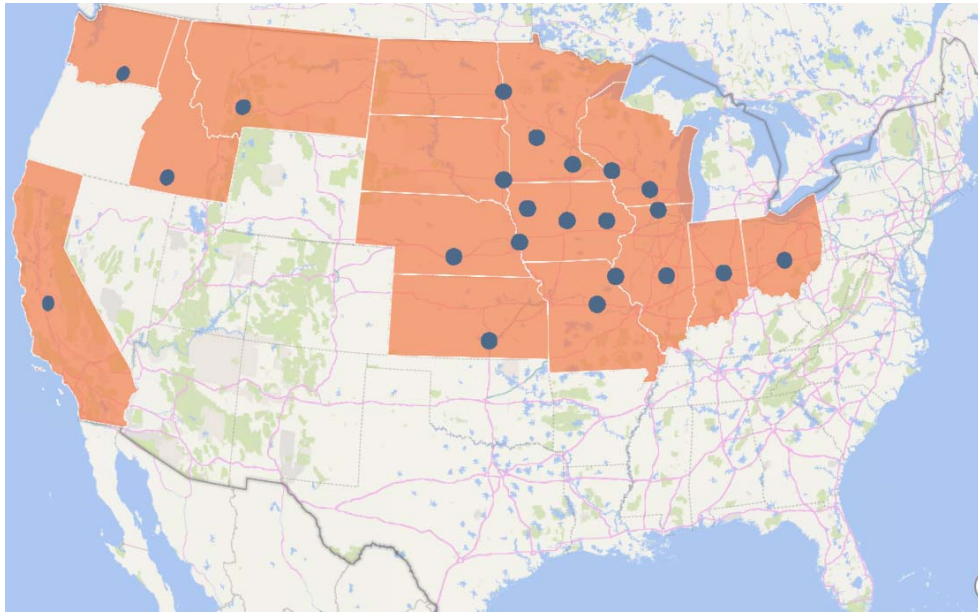
2016

Today's Presenters

- Bill Miller
 - Relationship Manager
 - Washington, DC
 - bmiller@farmermac.com
- Jim Soppe
 - Assistant Manager – Loan Underwriting
 - Johnston, IA
 - jsoppe@farmermac.com
- Mike Schmid
 - Manager – Capital Markets
 - Washington, DC

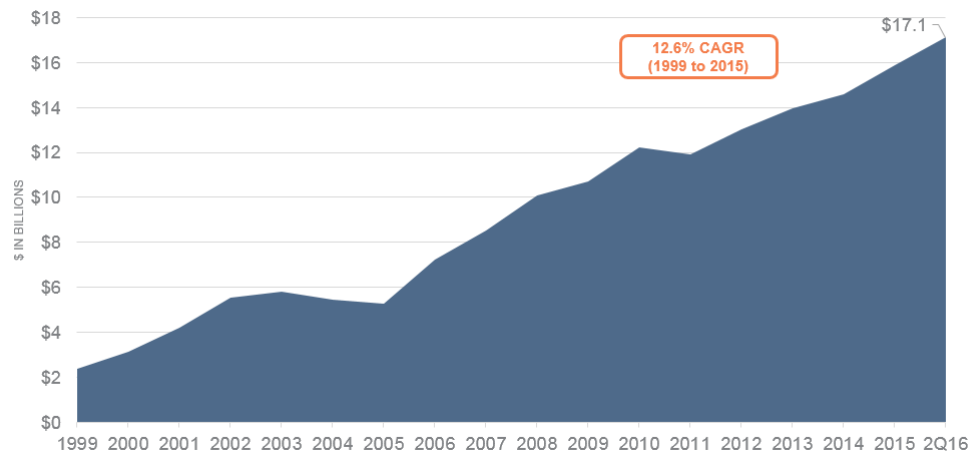


2016 Road Show Schedule



Corporate Update

Farmer Mac Outstanding Business Volume

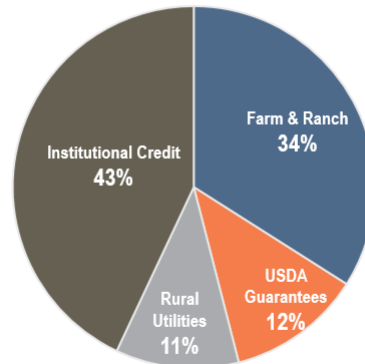


Lines of Business & Products

Product Type	Customers	Lines of Business				
\$ IN BILLIONS AND PERCENTAGE OF TOTAL VOLUME						
LOAN PURCHASES	▪ Ag Banks ▪ Insurance Companies ▪ Rural Utilities Cooperatives	F & R	USDA	RU	IC	Total
		\$3.2	\$2.0	\$1.0	--	\$6.2
		19%	12%	6%		37%
WHOLESALE FINANCING	▪ Ag Banks ▪ Insurance Companies ▪ AgVantage ▪ Farm Equity AgVantage ▪ Ag Investment Funds ▪ Production and Agribusiness Companies ▪ Rural Utilities Cooperatives	--	--	--	\$7.4	\$7.4
					43%	43%
CREDIT PROTECTION	▪ FCS Institutions ▪ Ag Banks ▪ Long-term Standby Purchase Commitments (LTSPCs)/ AMBS Guarantees ▪ Insurance Companies ▪ Ag Investment Funds ▪ Rural Utilities Cooperatives	\$2.6	--	\$0.9	--	\$3.5
		15%		5%		20%
Total		\$5.8	\$2.0	\$1.9	\$7.4	\$17.1

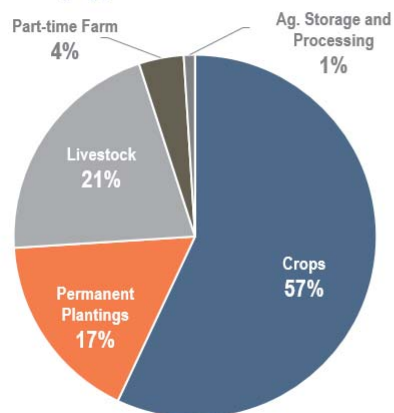
Outstanding Volume – Portfolio Summary

By Line of Business

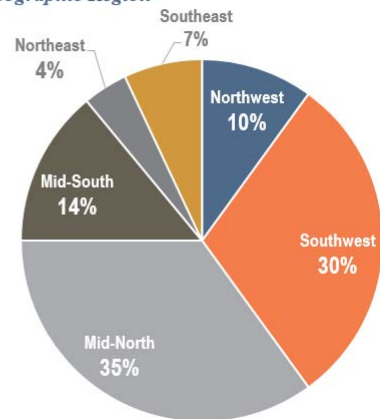


Farm & Ranch Loans Portfolio Diversification

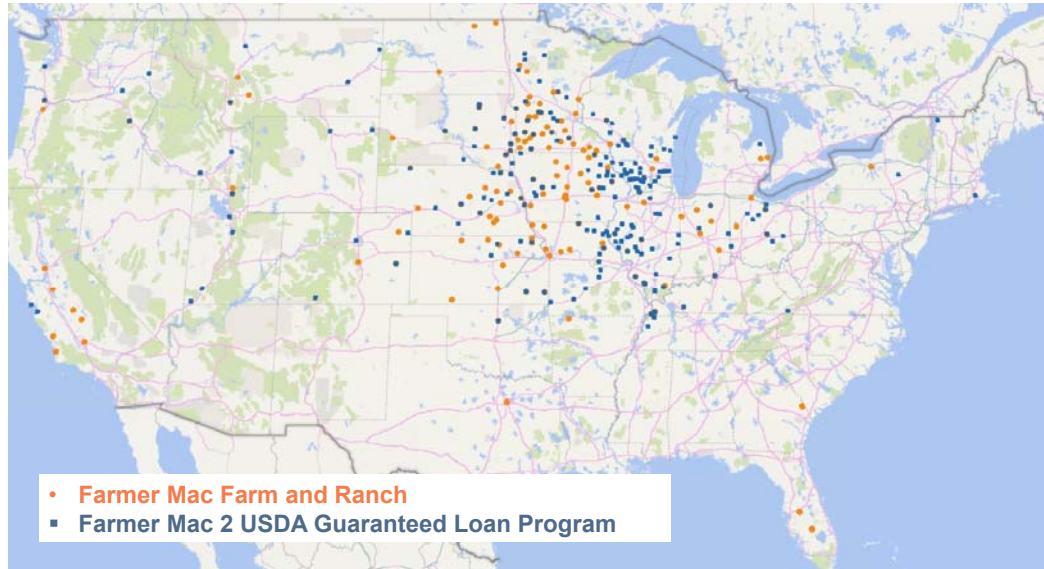
By Commodity Type



By Geographic Region



Program Participants



Becoming a Farmer Mac Seller

- Farmer Mac Seller requirements

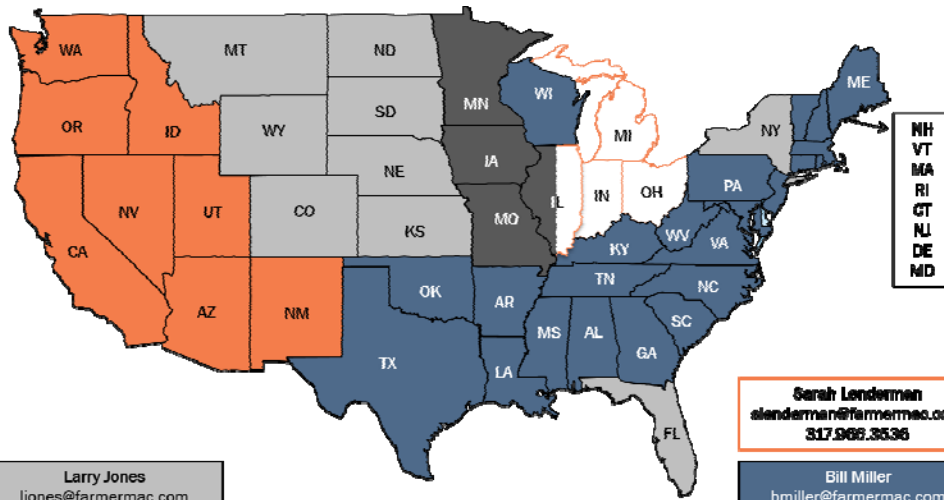
- Seller application
- Seller/Service agreement
- Officers' Certificate
- Stock ownership

<u>Consolidated Assets</u>	<u>Stock Ownership Requirements</u>
• 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



Relationship Manager Map



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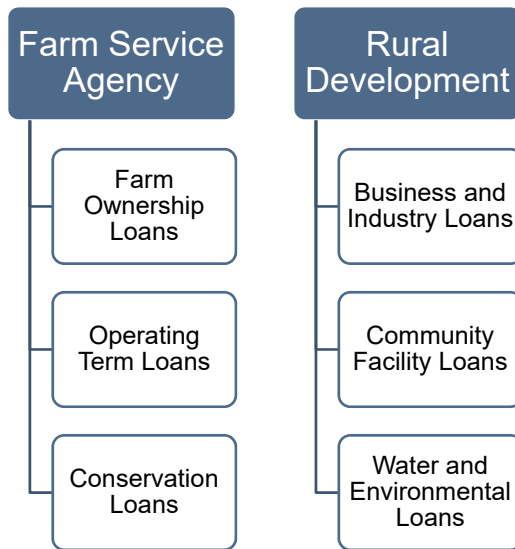
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Farmer Mac 2

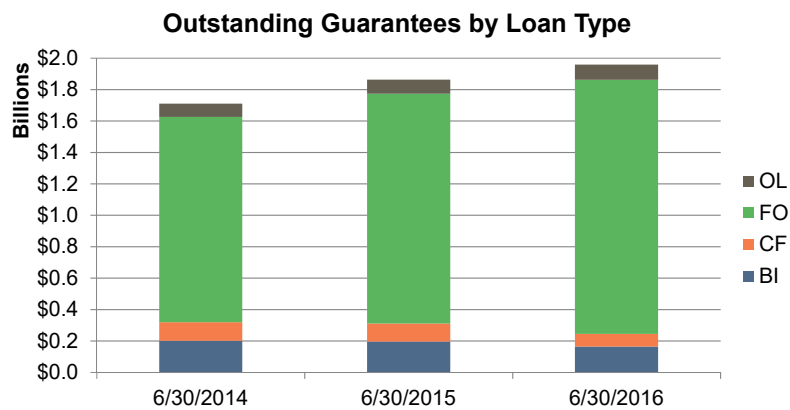
Eligible USDA Programs



Loan Types

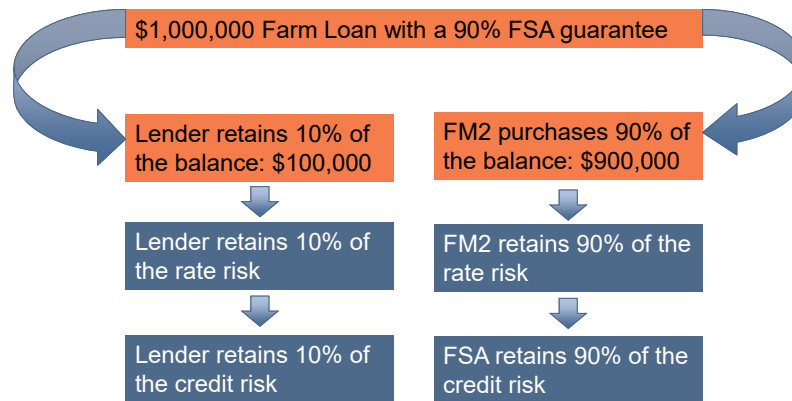


- At June 30, 2016 Farmer Mac had \$1.96 billion total outstanding portfolio of USDA Guaranteed loans



Note: OL = operating line, FO = farm ownership, CF = community facility, BI = business & industry

How Farmer Mac 2 Works



Lender retains 100% of the Loan Servicing

Advantages of Utilizing Farmer Mac 2



- Offer long-term fixed rates to "guaranteed loan" borrowers
- Lender receives fee income over life of the loan
- Average servicing fee is over 1.00%
- Competitive rate sheet
- No prepayment penalties
- Lender services 100% of the loan
- Centralized FM2 Program Administrator
- No Farmer Mac underwriting

Farmer Mac 2 Rate Sheet

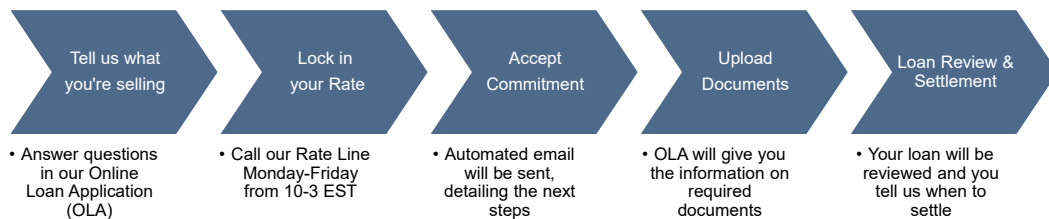


10/26/2016

Product	Monthly Pay Cash	Monthly Pay 4-Week Rate Lock	Annual, S.A. & Quarterly Pay Cash	Annual, S.A. & Quarterly Pay 4-Week Rate Lock
Wall Street Journal Prime	2.00%	N/A	2.00%	N/A
FAMC 3-Mo COFI	2.14%	N/A	2.14%	N/A
FAMC 5-Yr Reset COFI	2.48%	2.57%	2.58%	2.67%
FAMC 10-Yr Reset COFI	2.82%	2.91%	2.92%	3.01%
FAMC 15-Yr Reset COFI	3.04%	3.13%	3.14%	3.23%
7-Yr Fixed, 7-Yr Amort.	2.44%	2.53%	2.54%	2.63%
7-Yr Fixed, 15-Yr Amort.	2.57%	2.66%	2.67%	2.76%
10-Yr Fixed, 10-Yr Amort.	2.56%	2.65%	2.66%	2.75%
15-Yr Fixed, 15-Yr Amort.	2.79%	2.88%	2.89%	2.98%
15-Yr Fixed, 25-Yr Amort.	2.97%	3.06%	3.07%	3.16%
20-Yr Fixed, 20-Yr Amort.	2.98%	3.07%	3.08%	3.17%
25-Yr Fixed, 25-Yr Amort.	N/A	3.31%	N/A	3.41%
30-Yr Fixed, 30-Yr Amort.	N/A	3.42%	N/A	3.52%



Steps to Success





Rates & Products



Farm & Ranch Popular Products

10/26/2016

<i>Product</i>	<i>Term</i>	<i>Amort.</i>	<i>Reset Margin</i>	<i>Standard Rate</i>	<i>Choice Rate</i>
Ag Equity LIBOR	20/25/30	varies	2.00%	2.53%	2.53%
1-Mo ARM LIBOR*	15	15/25	1.70%	2.52%	2.32%
5-Yr ARM	15	15/25	2.30%	3.35%	3.15%
10/1 ARM*	15	15/25	3.12%	3.44%	3.31%
10-Yr VRM*	15/20	15/20	-	3.77%	3.57%
10-Yr VRM*	25/30	25/30	-	3.93%	3.73%
10-Yr Fixed*	10	10	-	3.62%	3.42%
15-Yr Fixed*	15	15	-	3.73%	3.53%
15-Yr Fixed*	15	25	-	3.97%	3.77%
20-Year Fixed	20	20	-	4.03%	3.88%
25-Year Fixed	25	25	-	4.13%	3.98%
30-Year Fixed	30	30	-	4.25%	4.12%

*ICBA Discount Available

*ABA Discount Available



Important Footnotes

FARMER AC Farm & Ranch Loan Program

Products	Term	Amortization	Reset Margin	Standard Rates	Choice Rates
AgEquity LIBOR	20 25 30	Varies	2.00%	2.53%	2.53%
1-Mo ARM LIBOR	15	15 25	1.75%	2.52%	2.52%
1-Yr ARM	15	15 25	2.30%	2.57%	2.57%
3-Yr ARM	15	15 25	2.30%	2.99%	2.79%
5-Yr ARM	15	15 25	2.30%	3.35%	3.15%
7/1 ARM	15	15 25	3.25%	3.26%	3.13%
10/1 ARM	15	15 25	3.25%	3.44%	3.31%
10-Yr VRM	15 20	15 20		3.77%	3.57%
10-Yr VRM	25 30	25 30		3.92%	3.73%
15-Yr VRM	20	20		3.77%	3.57%
15-Yr VRM	25 30	25 30		4.00%	3.80%
7-Yr Fixed	7	15 25		3.58%	3.38%
10-Yr Fixed	10	10		3.62%	3.42%
15-Yr Fixed	15	15		3.73%	3.53%
15-Yr Fixed	15	25		3.97%	3.77%
20-Yr Fixed	20	20		4.03%	3.88%
25-Yr Fixed	25	25		4.13%	3.98%
30-Yr Fixed	30	30		4.25%	4.12%

- Farmer Mac rates are quoted as a Net Yield or Seller's cost of funds. Net Yields are based on current market conditions. Actual rates may differ.
 - Rate lock hours: 10:00 a.m. to 3:00 p.m. eastern time. Call 800-879-3276.
 - Semi-annual payment rates are posted. Add 15 bps for annual pay option; subtract 5 bps for monthly pay.
 - Choice quality reset margins are posted.
 - For AgEquity LIBOR product: No Choice quality Net Yield option. Standard quality Net Yield is posted.
 - For 20-, 25- and 30-year fixed rate products: Higher rates may apply for loans \$5 million or greater.
 - Rates are for 4-week rate locks. Other options are available. Call for pricing.



- Rates are indicative
- Rate lock hours: 10:00 am to 3:00 pm eastern time
 - 800-879-3276
- Semi-annual payment rates are posted
 - Add 15 bps for annual pay
 - Subtract 5 bps for monthly pay
- Choice quality reset margins are posted
- For loans \$5 million or greater, higher rates may apply for:
 - 20 year fixed
 - 25 year fixed
 - 30 year fixed
- 4-week rate locks posted. Other options available upon request
- Mandatory Delivery

Products

Fixed Rate

7-30 Year
Fixed Rate Options

Full Amortization

Balloon Options

New 25 & 30 Year

Open Prepay

ARM

1- Month to 5 Year
Locked Periods

15 Year Maturities

15 or 25 Year
Amortizations

7/1 & 10/1 ARMS

Indexed

Open Prepay

VRM

5, 10 & 15 Year
Products

Up to 30 Year
Maturities

Full Amortization

Priced on Farmer Mac's
Cost of Funds

Open Prepay

AgEquity

RLOC 1st Mortgage

10 Year Draw

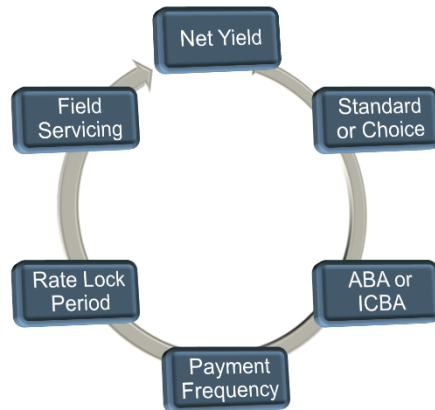
Up to 30 Year Term

Semi-Annual
Interest Only Pmts

Amortizing after
Draw Period

Unlimited Draws

Building A Note Rate

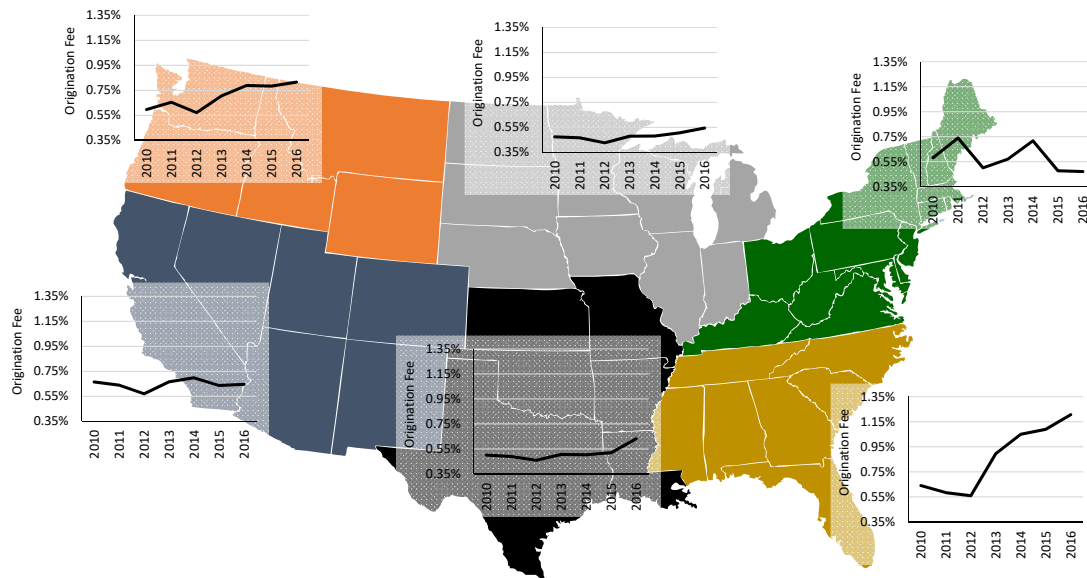


- Start by checking the Farmer Mac Net Yield on the rate sheet
- Does the loan request qualify for Standard or Choice Pricing?
- Is your institution an ABA or ICBA member?
- What is the re-payment frequency?
 - Monthly, Semi-Annual or Annual
- 4 Week Rate Lock?
- 10 – 150 bps for most products



***Farm & Ranch Origination and
Field Servicing Fees***

Loan Origination Fees by Region

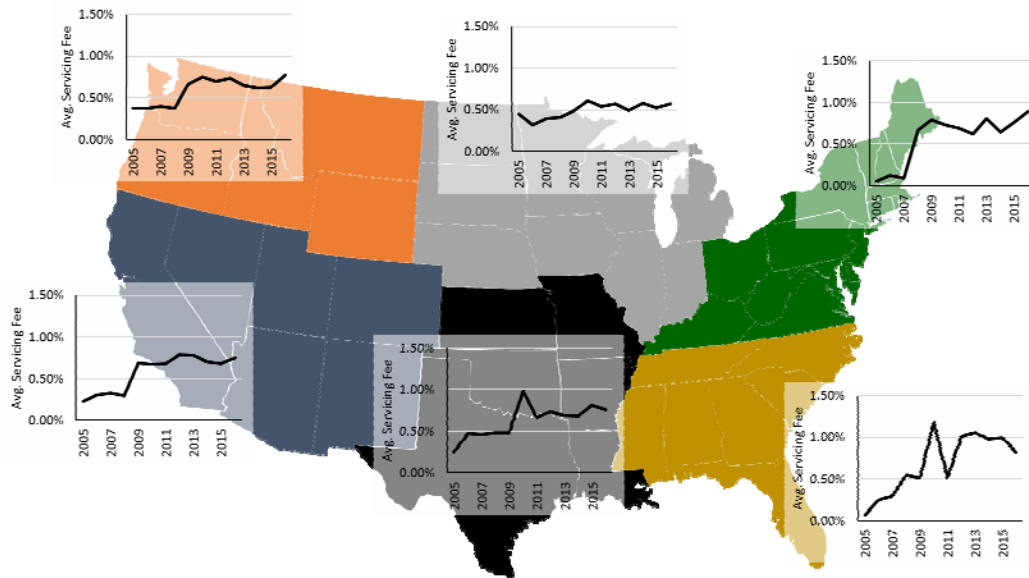


Data shown is average loan origination fee as percentage of loan amount, for loans with a origination fee charged.

Field Servicing Fees

Product	2014 Wtd. Avg.	2015 Wtd. Avg.	5-year Wtd. Avg.	5-Year % of Vol.
Overall	0.66%	0.66%	0.65%	100.00%
15 Years Fixed Rate	0.63%	0.62%	0.60%	26.63%
10/1 ARM, 15 years	0.58%	0.60%	0.58%	14.21%
AgEquity RLOC	0.67%	0.76%	0.66%	11.03%
5 Year Arm, 15 years	0.83%	0.55%	0.83%	10.43%
1 Month LIBOR ARM, 15 years	1.01%	1.11%	0.93%	6.41%
10 Years Fixed Rate	0.59%	0.48%	0.56%	3.68%
10 Year VRM; 30 Years w/ 30 Year Am	0.49%	0.61%	0.69%	3.05%
20-Year Fixed Rate	0.56%	0.53%	0.50%	2.72%
3 Year Arm, 15 years	0.70%	1.02%	0.80%	2.52%
7/1 ARM, 15 Years	0.75%	0.72%	0.73%	2.45%
Top 10 Products	0.69%	0.69%	0.67%	83.15%

Field Servicing Fees by Region



Recent Transactions – Missouri

Transaction Details

- Full Underwrite
- Loan Amount: \$1,546,000
- 10/1 ARM, 15 Year Term
- Monthly
- 50% LTV on 603 ac.
- 3.88% Note Rate
- *0.60% Field Servicing Fee*
- *Restructure/refinance of existing RE loans and carryover operating debt*

Commodity



This loan allowed the borrower to consolidate debt for better cash flow coverage and also put them in a better working capital position

Recent Transactions – Indiana

Transaction Details

- Full Underwrite
- Loan Amount: \$330,000
- 15 Year Fixed
- Semi-Annual
- 20% LTV on 226 ac.
- 4.75% Note Rate
- *0.74% Field Servicing Fee*
- *Cash out to purchase another persons ownership portion of the land/operation*

Commodity



Farm & Ranch Loan Purchase Program – 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 90 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



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
 - Up to 1.25% pair-off fee
 - Extensions allowed



Rob Owens
Manager - Capital Markets

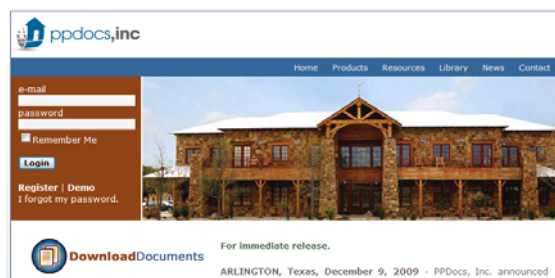


Mike Schmid
Trader - Capital Markets



Pierson Patterson

- Pierson Patterson – simple way to generate closing documents
 - www.ppdocs.com
 - Capability to transfer data in AgPower to PiersonPatterson
 - ≥\$100 service fee includes:
 - Promissory note, state-specific security instruments, any riders, required guaranty agreements, assignment of lien, UCC financing statements, amortization schedule, entity resolutions



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



FAMC Underwriting

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

	Fast Track	Full UW Standard	Full UW Choice Pricing
Max Loan Size	\$1,000k	\$12.6/\$50m	\$12.6/\$50m
Loan-to-Value Ratio	55%	60%	60%
Debt to Asset Ratio	40%	50%	40%
Current Ratio	1:1	1.25:1	1.50:1
Debt Service Coverage	1:1	1.25:1	1.50:1
Credit Scores	720	680	680
Tax Return	2-Yrs	3-Yrs	3-Yrs

(More detail: <http://www.efarmermac.com/Resource/Index.aspx>)



Fast Track

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
Fast Track	≥1.00	≥1.00	≤40%	\$1 Million	≤55%	≥720

- 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

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
Full Underwriting Standard	≥1.25	≥1.25	≤50%	≤1000 acres; \$50M ≥1000 acres; \$12.6M	≤5M; 70% ≥5M; 60% <small>*Geographical restrictions apply</small>	≥680

- 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

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
Full Underwriting Standard	≥1.50	≥1.50	≤40%	≤1000 acres; \$50M ≥1000 acres; \$12.6M	≤60%	≥680

- 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

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
AgEquity LOC	≥1.35	≥1.25	≤50%	≤1000 acres; \$50M ≥1000 acres; \$12.6M	≤50% bare land value	≥680

- 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

Underwriting Option	Total Debt Coverage Ratio	Current Ratio	Debt to Asset Ratio	Maximum Loan Amount	Loan to Value	Credit Score
AgAssist	≥1.10	≥1.00	≤60%	≤1000 acres; \$50M ≥1000 acres; \$12.6M	≤45% FAMC ≤85% CLTV	≥680

- 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



Training & Support Services

- Client Services Department offers:
- Quick Start Training Program
 - One-on-one and group training
 - Online demonstrations (efarmermac.com & AgPower)
 - Resource Library
 - Quick Tip Videos
 - Coming soon...Training Handbook
- Ongoing support focused on
 - Responsive solutions & friendly service
 - Exceeding expectations
 - Process improvement

Contact us at ClientServices@farmermac.com

Call us at 866-452-2617





Long-Term Standby Purchase Commitment Program

Purchase Commitment Program

- Product description
 - Lender holds loan(s) in portfolio with the option to sell after 90 days of delinquency
 - Loans are risk weighted at 20% of capital requirements
 - Lender pays Farmer Mac a commitment fee of ≈ 50 basis points per annum, paid monthly
- Lender benefits
 - Transfer credit risk
 - Increase liquidity and lending capacity
 - Accommodate larger loans
 - Balance sheet growth



Purchase Commitment – Capital Benefits

Sample Purchase Commitment Pool

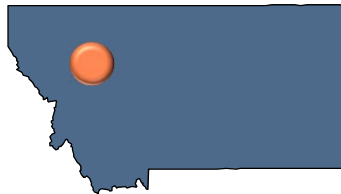
Loans in Lender Portfolio	\$10,000,000
Capital Reserve Requirement	10%
Total Cash Reserve	\$1,000,000
Purchase Commitment Risk Weight at 20%	\$200,000
New Capital Savings	\$800,000
Redeployed Capital Leverage	\$8,000,000
First Year Profit With A 3% Margin <small>(Less Purchase Commitment fee assuming all loans priced at 50bps)</small>	\$190,000



Purchase Commitment – Montana

Lender Profile

- Community Bank
 - State Chartered
 - Assets: ≈ \$34M
 - Lending Limit: ≈ \$380K
 - Existing 'PC' pool with regulator approval to exceed legal lending limit



Transaction Details

- R/E Purchase:
 - Amount: ≈ \$1,050,000
 - 1,629 Acre Ranch
 - 25 Yr. Fully Amortizing
 - Bank Priced & Funded
 - 50bps Per Annum
 - 0% Credit Risk

Lender Comment:

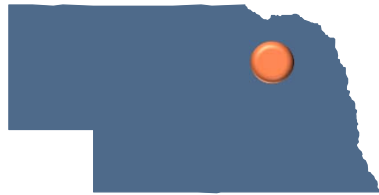
"The Purchase Commitment program allowed us to grow with this existing borrower and accommodate their land purchase request while eliminating credit risk"



Purchase Commitment – Nebraska

Lender Profile

- Community Bank
 - State Chartered
 - Assets: ≈ \$193M
 - Lending Limit: ≈ \$3.5M
 - Existing 'PC' pool with regulator approval to exceed legal lending limit



Transaction Details

- R/E refi (balance sheet restructure):
 - Amount: ≈ \$5.5M
 - Row Crop & Grain Storage
 - Bank Priced & Funded
 - 50bps Per Annum
 - 0% Credit Risk
- Lender Comment:
"We felt comfortable with managing the interest rate risk when structuring this borrower's loans and the Purchase Commitment program allowed us to take on more of the relationship without having to participate out"



AgVantage® Funding Program

AgVantage®

- Access a stable source of funds at attractive rates by establishing a funding facility
- Retain loans in portfolio and manage interest rate risk
- Flexible terms with fixed, floating, bullet and amortizing debt options
- Up to 90% advance rates on agricultural mortgages
- Scalable – The facility can be increased as your business grows
- Streamlined approval and funding process



AgVantage® – Pricing Example

- Semi-annual interest only payments as of 10/26/2016

Maturity	Indicative Rate
30-Day	0.93%
90-Day	1.29%
1-Year	1.16%
3-Year	1.72%
5-Year	2.22%
10-Year	3.06%





Thank You

Contact Us: www.farmermac.com

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