



September 29, 2020



Farmer Mac Refresh Webinar

*Underwriting Options to
Get You in the Fast Lane*

Today's Speakers



Bill Miller
Manager – Business Development



Sarah Prince
Relationship Manager



Scott Steveson
Assistant Manager – Credit & Operations



Agenda

- *Borrower & Property Eligibility*
- *AgXpress*
- *Fast Track*
- *Farm & Ranch Rates*



*Step up to greener pastures with expanded
AgXpress and Fast Track loan limits*

2X LOAN LIMITS

Farmer Mac is making our fastest loan origination programs even more accessible by doubling loan limits to **\$1.5 MILLION** for AgXpress and **\$3 MILLION** for Fast Track

**STARTING
OCTOBER 1**



Property & Borrower Eligibility

- *Farm or ranch real estate secured by a first mortgage*
- *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*
 - *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*
 - *Trusts are eligible for Farmer Mac financing if there is a personal guarantee*





AgXpress

AgXpress Scorecard

Official Launch Date: March 1, 2019



GATE'S OPEN

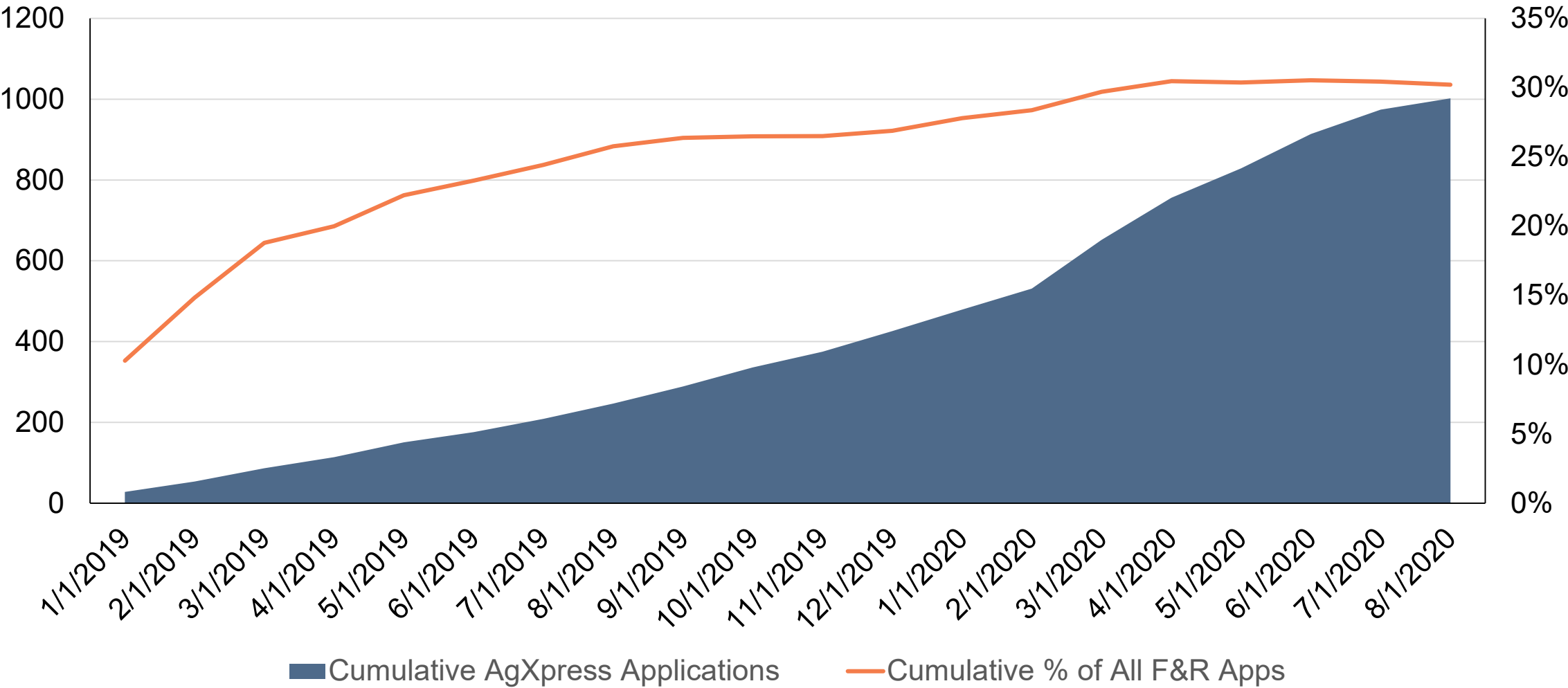
AgXpressSM

FARMER MAC'S FASTEST (AND EASIEST) LOAN APPROVAL PROCESS IS HERE!

Now Accepting Applications



AgXpress Submission Trends



What is an AgXpress Scorecard Loan?

- *Farm & Ranch Loan Purchase underwriting approval path*
- *Credit score-based model (FICO)*
- *Designed to simplify the application process and deliver a faster credit decision*
- *Bypass the majority of traditional loan onboarding requirements and substantially reduce the amount of time needed to submit a loan*



AgXpress Program Parameters

- ~~\$750,000~~ \$1,500,000 max loan size
- 55% LTV: Based on bare land value
- Suggested min. credit score of 720 for all applicants
- All title holders need to be applicants
- No restrictions on use of funds
- Fixed and VRM products available
- Monthly or semi-annual payment frequencies
- Choice pricing included

APPLICATION PROCESS

FARM & RANCH AGXPRESS™

FARMER MAC

AgXpress™ is a credit score-based model, designed to simplify the application process and deliver a faster credit decision. Using AgXpress, you bypass the majority of traditional loan onboarding requirements and substantially reduce the amount of time needed to submit a loan. This package outlines the **Eligibility Parameters**, the **Submission Checklist**, **Frequently Asked Questions (FAQ)**, and the **Application** — providing everything you need to get rolling.

AgXpress —
an easier application
solution for you and
your customers.



Lean on us
to help you.

Call Client Services at
866.452.2617 or email
ClientServices@FarmerMac.com
for assistance.

ELIGIBILITY PARAMETERS

- ▶ Maximum loan size: \$1.5 million per applicant
 - Maximum aggregate AgXpress exposure is \$1.5 million
- ▶ Maximum Loan-to-Value (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 bare land only
- ▶ Though not an absolute indicator for approval, the recommended minimum consumer credit score for all applicants is 720.
 - Farmer Mac will pull a consumer credit report (TransUnion) – and, if applicable, a commercial credit report (Dun & Bradstreet) – on all AgXpress application submissions.
- ▶ Farmer Mac's general underwriting guidelines apply
- ▶ Monthly or semi-annual payment frequencies
- ▶ Choice Pricing included
- ▶ No restrictions on commodities
- ▶ No restrictions on use of funds
- ▶ Fixed and Variable Rate products offered
- ▶ Applicants/borrowers must include all title holders
- ▶ The following are not allowed on AgXpress transactions:
 - AgEquity (Revolving Lines of Credit)
 - Highly improved, livestock, and special use facilities
 - Trusts (without an eligible co-borrower and a personal guarantee)
 - Annual payment frequency

SUBMISSION CHECKLIST

1 COMPLETE

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

2 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.

3 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) will be issued) or denial (an Adverse Action Notice (AAN) will be provided for you to issue to the applicant(s)). Please refer to the Seller/Service Guide within the Resource Library for obligations related to AgXpress denials.

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



AgXpress Submission Checklist

1 COMPLETE

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

2 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.

3 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/Service Guide within the Resource Library for obligations related to AgXpress denials.

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



Credit Report

- *Though not an absolute indicator for approval, the recommended minimum consumer credit score for all applicants is 720.*
- *Farmer Mac will pull a consumer credit report (TransUnion) -- and, if applicable, a commercial credit report (Dun & Bradstreet) – on all AgXpress application submissions.*



Adverse Action Notices

- *Farmer Mac will generate the AAN on all AgXpress denials*
 - *Seller is required to sign & distribute it to the applicants*
 - *Seller then reuploads the AAN to AgPower as proof of distribution*
-
- *Failure to comply with AAN rules will result in suspension from the program*



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

The image displays a screenshot of the Farmer Mac Resource Library interface. The top section shows a list of folders under 'Libraries > View Farm & Ranch Loan Purchase Documents'. The 'AgXpress' folder is highlighted with a red box. Below this, a preview of the 'AgXpress Application Package' is shown, also highlighted with a red box. The package includes the following documents:

- AgXpress Application
- AgXpress Application Package
- AgXpress FAQ
- AgXpress Non-Participating Spouse
- Farmer Mac Adverse Action Notice

The 'AgXpress Application Package' document is a multi-page PDF that includes the following sections:

- APPLICATION PROCESS**
- FARM & RANCH AGXPRESS™**
- FARMER MAC**
- AgXpress™ — an easier application solution for you and your customers.**
- ELIGIBILITY PARAMETERS**
- SUBMISSION CHECKLIST**
- REVIEW**
- QUESTIONS?**

The 'ELIGIBILITY PARAMETERS' section lists the following criteria:


- Maximum loan size: \$1.5 million per applicant
- Maximum aggregate AgXpress exposure is \$1.5 million
- Maximum Loan-to-Value (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 bare land only
- Though not an absolute indicator for approval, the recommended minimum consumer credit score for all applicants is 720.
- Farmer Mac will pull a consumer credit report (TransUnion) – and, if applicable, a commercial credit report (Dun & Bradstreet) – on all AgXpress application submissions.

The 'SUBMISSION CHECKLIST' section lists the following steps:

1. **UPLOAD**
Upload the AgXpress Application within the "Communication/Attachment" tab of AgPower.
2. **SUBMIT**
Click the "Submit Application" button on the "Submit Application" tab in AgPower.
3. **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) will be issued) or denial (an Adverse Action Notice (AAN) will be provided for you to issue to the applicant(s)). Please refer to the Seller/Service Guide within the Resource Library for obligations related to AgXpress denials.

The 'QUESTIONS?' section provides contact information: ClientServices@FarmerMac.com | 866.452.2617 | farmermac.com

AgXpress Application Visuals



AGXPRESSSM APPLICATION

FM12-01 ©06.20

Loan and Property Information

Loan Amount: \$ 0.00 Desired Product: Term (yrs): Amortization (yrs):

Payment Frequency: ☐ Monthly ☐ Semi-annual

Bare Land Only Value: \$ Permanent Planting Value (if applicable): \$

Improvement Value (include outbuildings & residence): \$ Total Collateral Value: \$ 0.00

Projected Loan-to-Value (loan amount/(bare land + permanent plantings)): %

Sources of Funds

Description	Amount
Total Source of Funds	\$ 0.00

Uses of Funds

Description	Amount
Total Use of Funds	\$ 0.00

Total source of funds should equal total use of funds. (Attach additional exhibits or descriptions as needed.)

Is this financing related to any recent (12 months or less) land transactions? If so, please describe the terms of the land purchase, including purchase price:

Application Information — Individual

Title Holder: ☐ Yes ☐ No

☐ Primary Applicant ☐ Co-Applicant (Relationship to primary applicant):

Last Name: First Name: Middle Name:

Street Address:

City: State: Zip: County:

Email: Phone #:

Soc. Sec. #: Date of Birth: Years at Current Address:

Marital Status: ☐ Married (or separated) ☐ Single (or divorced, unmarried, widowed)

Are you a U.S. citizen or a permanent U.S. resident alien? ☐ Yes ☐ No

Application Information — Individual

Title Holder: ☐ Yes ☐ No

☐ Primary Applicant ☐ Co-Applicant (Relationship to primary applicant):

Last Name: First Name: Middle Name:

Street Address:

City: State: Zip: County:

Email: Phone #:

Soc. Sec. #: Date of Birth: Years at Current Address:

Marital Status: ☐ Married (or separated) ☐ Single (or divorced, unmarried, widowed)

Are you a U.S. citizen or a permanent U.S. resident alien? ☐ Yes ☐ No

General Information

FM12-01 ©06.19

Please provide a brief description (size and scope) of your current business operation:

At least one applicant must be a United States (U.S.) citizen or a lawfully admitted alien to the U.S. who maintains permanent residence in the U.S. or a corporate entity or partnership whose members, stockholders, or partners holding a majority interest in the corporate entity or partnership are citizens or lawfully admitted aliens. The following list of questions applies to all applicants.

☐ Yes ☐ No Have you had a bankruptcy in the past 48 months?

☐ Yes ☐ No Do you have any judgments against you?

☐ Yes ☐ No Are you party to any lawsuit?

☐ Yes ☐ No Have you had property foreclosed or deed in lieu in the past 48 months?

☐ Yes ☐ No Are you in violation of any local, state, or federal zoning, operating, air quality, water, or environmental permits, laws, or requirements?

☐ Yes ☐ No Are any of the assets pledged as security for debts of others?

☐ Yes ☐ No Do you have any contingent liabilities?

☐ Yes ☐ No Have you endorsed or guaranteed notes for others?

☐ Yes ☐ No Are you obligated to pay alimony or child support?

If 'Yes' to any of the above, please provide a written explanation to the lender for inclusion with this application.



AgXpress Application Visuals

Consolidated Balance Sheet

Financial statement as of: (MM/DD/YY) (within 90 days of application date preferred)

Assets	\$XX.XX	Liabilities	\$XX.XX
Cash, Savings, Securities, etc.	\$	Operating Debt	\$
Accounts Receivable	\$	Credit Card Debt	\$
Crop Inventory	\$	Accounts Payable/Trade Debt	\$
Market Livestock Inventory	\$	Equipment Debt, Vehicle Debt	\$
Breeding Livestock Inventory	\$	Long-term Debt	\$
Machinery	\$	Other Liabilities ()	\$
Real Estate Market Value	\$		\$
Other Assets	\$		\$
Total Assets:	\$ 0.00	Total Liabilities:	\$ 0.00

Total Assets \$ 0.00 (-) Total Liabilities \$ 0.00 = Total Equity \$ 0.00

Consolidated Income Statement

Most recent income statement for the period of: (MM/DD/YY) to

Gross Farm Income	\$	Do you have a current operating loan? <input type="checkbox"/> Yes <input type="checkbox"/> No
Net Farm Income (Plus interest and depreciation)	\$	Current Operating Lender:
Net Non-farm Income	\$	Years with Lender:
Total Net Income (Net Farm + Net Non-farm)	\$ 0.00	Committed Operating Loan Amount: \$

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Collateral — Property Information

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Property Street Address:

City: State: Zip: County:

Commodities Grown on Property/Security (check top two if applicable)

☐ Corn ☐ Soybeans ☐ Alfalfa ☐ Almonds ☐ Dairy Cattle & Calves ☐ Feedlot Cattle and Calves ☐ Grapes ☐ Hay ☐ Horses ☐ Ranch Cattle & Calves ☐ Timber (harvestable) ☐ Wheat ☐ Other:

Land Information

Description	Number of Acres	Value per Acre	Total Acre Value
Dryland Tillable Acres	x	\$	= \$ 0.00
Irrigated Tillable Acres	x	\$	= \$ 0.00
Pasture Acres	x	\$	= \$ 0.00
CRP Acres	x	\$	= \$ 0.00
Permanent Plantings Acres	x	\$	= \$ 0.00
Timberland Acres (harvestable)	x	\$	= \$ 0.00
Other/Woods/Waste Acres	x	\$	= \$ 0.00
Buildings/Improvements	x	\$	= \$ 0.00
Total Acres:	0.00		Total: \$ 0.00



Recent AgXpress Success Stories

State	Kansas	Nebraska	Indiana	Ohio	California
Commodity	Ranch Cattle and Calves	Corn	Corn	Timber	Table Grapes
Program	AgXpress	AgXpress	AgXpress	AgXpress	AgXpress
Purchase Date	8/27/2020	9/21/2020	9/10/2020	9/16/2020	9/18/2020
Loan (\$)	132,468	450,000	750,000	307,500	742,500
LTV	35%	26%	45%	50%	55%
Loan Product	20-Yr Fixed	15-Yr Reset	15-Yr Fixed	30-Yr Fixed	5-Yr VRM
Pay Freq	Semi-annual	Semi-annual	Semi-annual	Monthly	Semi-annual
Note Rate	4.20%	3.33%	3.31%	4.84%	3.35%
Servicing Fee	0.97%	0.40%	0.46%	1.50%	1.00%
Maturity Date	1/1/2041	1/1/2051	1/1/2036	12/1/2050	1/1/2041



Recent AgXpress Success Stories- A Deeper Look

Location: North Central Indiana

Loan Size: \$750,000

Note Rate: 4.3%

Loan Purpose: Consolidate 3 existing loans, take advantage of a 30-year fixed rate

Collateral: 196 acres, \$1,550,000-appraised value

What the loan officer had to say:

“I’ve done Farm & Ranch loans in the past through Farmer Mac. I’m pretty familiar with AgPower, but I have to say AgXpress made the process SO MUCH EASIER. We had a decision in under a day and my customers were very happy to consolidate debt, take advantage of a fixed rate, and most of all – be able to have a 30-year amortization.”





Fast Track

What Is Fast Track?

- *Farm & Ranch Loan Purchase underwriting approval path*
- *Less documentation than a Full Underwrite*
- *Decision based on historical averages of credit ratios*
- *Designed to simplify the application process and deliver a faster credit decision*



Fast Track Program Parameters

- ~~\$1,500,000~~ \$3,000,000 max loan size
- Limited financial information required
- 55% Loan to Value
- Min. credit score of 720 for all applicants
- No restrictions on use of funds
- Fixed and VRM products available
- No exceptions to guidelines
- Choice pricing included

Loan Program	Fast Track
Eligible Pricing Type	Choice
Total Debt Coverage (See Seller/Service Guide, Section 202.3)	≥ 1.00 for 2 year average
Current Ratio	≥ 1.00
Debt to Asset	≤ 40%
Loan-to-Value	≤ 55%
Credit Score (FICO) (Individual borrowers/guarantors)	≥ 720
D&B PAYDEX Score (required if no individual borrowers/guarantors)	N/A
Loan Size	No minimum ≤ \$1.5 mil
Cash-Out (See Seller/Service Guide, Section 202.5)	Unlimited
Recent Tax Returns	2 years



Recent Fast Track Success Stories

State	Minnesota	Illinois	Washington	North Dakota	Minnesota
Commodity	Wheat	Corn	Potatoes	Corn	Soybeans
Program	Fast Track	Fast Track	Fast Track	Fast Track	Fast Track
Purchase Date	8/6/2020	9/11/2020	9/11/2020	8/18/2020	8/26/2020
Loan (\$)	1,200,000	877,000	1,050,000	860,000	1,108,000
LTV	52%	54%	51%	39%	55%
Loan Product	5- Yr VRM	15-Yr Reset	30-Yr Fixed	15-Yr Reset	30-Yr Fixed
Pay Freq	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual
Note Rate	2.52%	3.40%	3.65%	3.60%	4.20%
Servicing Fee	0.10%	0.47%	0.15%	0.60%	0.75%
Maturity Date	7/1/2035	1/1/2046	1/1/2051	7/1/2045	1/1/2051



Recent Fast Track Success Stories- A deeper look

Location: West Central Ohio

Loan Size: \$1,260,000

Note Rate: 3.14% (10 year fixed, 10-year amort)

Loan Purpose: Refinance competitor loan

Collateral: 344 acres- appraised value \$3,238,000

What the loan officer had to say:

“As you can see from the short amortization, this was an extremely strong credit. We were able to refinance a competitor using Fast Track. This loan qualified for choice rate through Fast Track. Looking forward to the increases in both programs.”





Farm & Ranch Rates



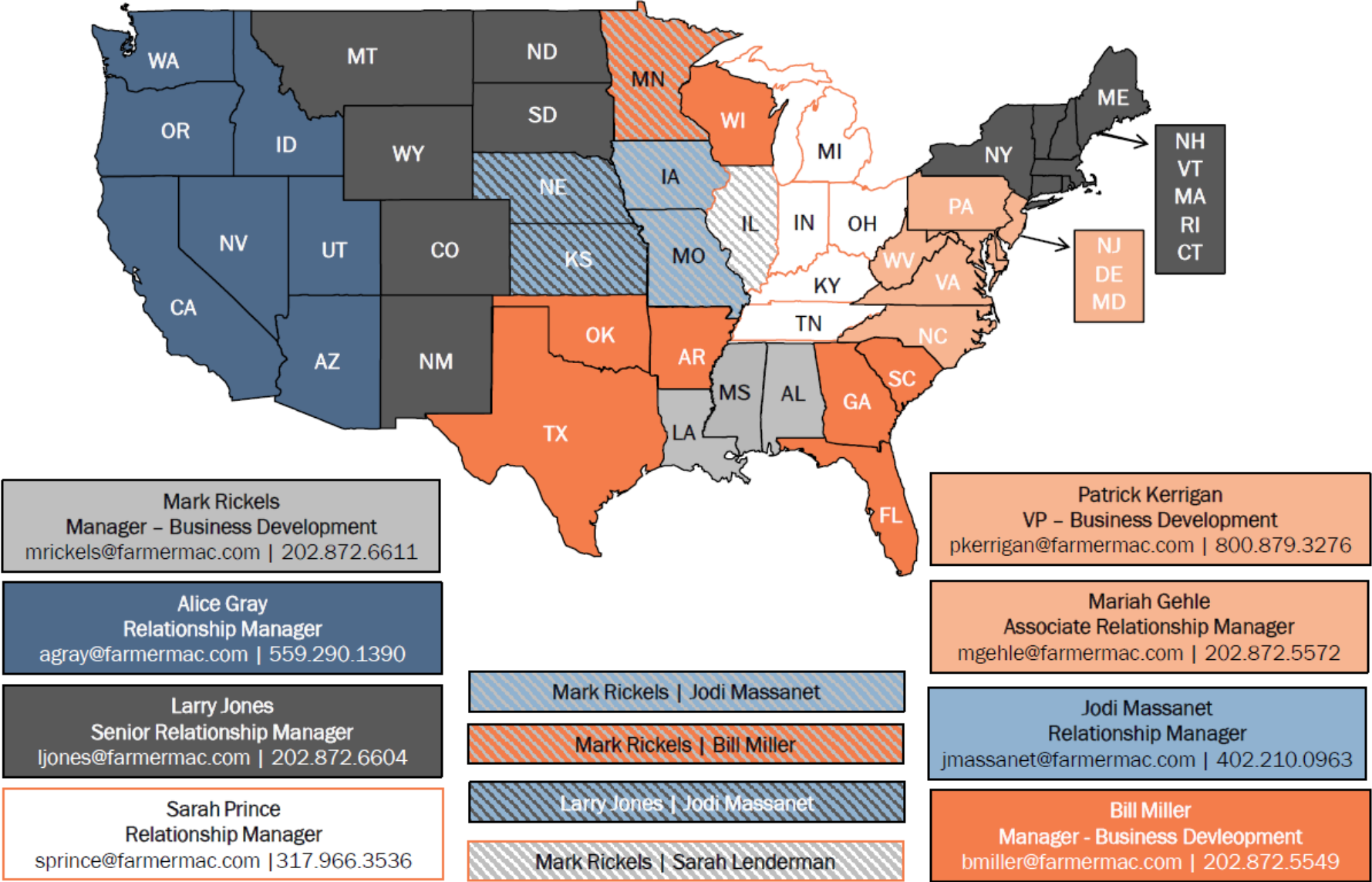
September 29, 2020



<i>Products</i>	<i>Term</i>	<i>Amortization</i>	<i>Standard Rates</i>	<i>Choice Rates</i>
AgEquity VRM	25 30	15 20 25	2.04%	N/A
1-month VRM	15 20 25 30	15 20 25 30	2.03%	1.68%
1-year VRM	15 20 25 30	15 20 25 30	2.21%	1.86%
3-year VRM	15 20	15 20	2.66%	2.31%
3-year VRM	25 30	25 30	2.64%	2.29%
5-year VRM	15 20	15 20	2.68%	2.33%
5-year VRM	25 30	25 30	2.74%	2.39%
10-year VRM	15 20	15 20	3.05%	2.70%
10-year VRM	25 30	25 30	3.10%	2.75%
15-year VRM	20	20	3.20%	2.85%
15-year VRM	25 30	25 30	3.39%	3.04%
7-year Fixed	7	15 25	2.85%	2.50%
10-year Fixed	10	10	2.94%	2.59%
15-year Fixed	15	15	3.18%	2.83%
15-year Fixed	15	25	3.23%	2.88%
20-year Fixed	20	20	3.49%	3.14%
25-year Fixed	25	25	3.63%	3.28%
30-year Fixed	30	30	3.73%	3.38%



Contact Your Relationship Manager



Becoming a Farmer Mac Seller

Farmer Mac Seller requirements

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

Consolidated Assets

- Up to \$50 Million
- \$50- \$100 Million
- \$100- \$500 Million
- Over \$500 Million

Stock Ownership Requirements

- 100 shares of Class A or Class C
- 200 shares of Class A or Class C
- 500 shares of Class A or Class C
- 1000 shares of Class A or Class C

Application and stock purchase not required for Farmer Mac 2





Open Q&A



Thank you!!

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