The “Complete” Farm & Ranch Loan Package
Topics of Discussion

• Best practices
• Loan structures
• Organizing a complete loan submission
• Loan application checklist
• Common pitfalls
• Queue management
• Don’t forget
Your Support Crew

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Setting the Stage

• Applies to Farm & Ranch applications through AgPower
• Accessed at www.efarmermac.com
• Contact your Administrator for log-in credentials
Best Practices

• Setting up borrower information correctly will streamline loan submission process
  – Common inquires:
    • Who is primary borrower?
    • A Trust owns the ground, are they required as a borrower?
    • Borrower has interest in multiple businesses, do they need to be on the loan?
    • Someone is pledging collateral, how is that handled?
    • Two parties buying land, can they each have their own loan on collateral with undivided interest?
    • New entity, do we need to know?

Client Services are available to discuss loan prospects for correct borrower designation, multiple entity submissions, 2-pack loan submissions, etc.
Loan Structure Hints

• Assign entity numbers on Borrower tab
  – Husband and wife are considered one entity
  – Entity (Trust, Corporation, Partnership) holding title should reflect a separate entity #
  – Corporation or Trust with tax returns should reflect separate entity #
  – Individuals or entities pledging collateral need to be listed on borrower tab with “(Mortgage Signer Only)” added behind borrowers name
  – If designation is added for borrower, always list within parenthesis: i.e., (Guarantor)
Getting Organized

- Collect all items on the Application Checklist
  - Make sure to spread and upload all necessary supporting documents
  - Organize uploads by entity, category, and description
  - Break out uploads
  - Once uploaded, can not edit

- Complete all red fields (i.e., required)

- Any time during loan entry or after completing the application, we will gladly step through the app tab by tab – call us!
  - Let us know the Application Number from the top of the page in AgPower

Application Number: DC-170017
Borrower: MAC LAND LLP
**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>Fast Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Detailed <em>Narrative</em> (analysis of character, capital, capacity, collateral &amp; condition)</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>2. <em>Credit Report</em> with credit score on each applicant</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>3. Current <em>market value</em> balance sheet(s) with schedules (including debt schedule) &gt; <em>input in AgPower</em></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>4. <em>Pro forma</em> balance sheet and schedules (including debt schedule) &gt; <em>input in AgPower</em></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>5. Previous three years (<em>market value preferred, cost basis accepted</em>) balance sheets and schedules &gt; <em>input &amp; upload in AgPower</em></td>
<td>□</td>
<td>N/A</td>
</tr>
<tr>
<td>6. <em>Tax Returns/Income Statements</em> for previous three years or four years for alternate bearing crops (only <em>two years</em> required for Fast Track) &gt; <em>input &amp; upload in AgPower</em></td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>7. <em>Pro forma</em> income and expense &gt; <em>input in AgPower</em></td>
<td>□</td>
<td>N/A</td>
</tr>
<tr>
<td>8. <em>Verification</em> of non-farm income (<em>2 most recent paystubs or most recent W-2 for each applicant employed off-farm</em>)</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>9. Written <em>debts verifications</em> from major lender(s) of the borrower (<em>if not on the Credit Report</em>)</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>10. Written <em>mortgage verifications</em> outlining outstanding principal balance and payment history (<em>at least last 24 months</em>); or two most recent 1099’s for each mortgage not in the Credit Report</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>11. 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>
Common Pitfalls

• Complete and break-out loan proceeds in application
• Match acres on security section in application and balance sheet
  – Original and proforma balance sheets need to match
• Show down-payment when requesting a purchase or show how application will meet LTV
• For a REFI, cancel out debt in BS(a) Proforma
  – Watch out…can’t delete line items, just move balance to zero
• Loan proceeds and closing costs
  - Explain in narrative

Don’t submit early. Instead, call or email and we will walk you through the entire process!
Common Pitfalls

• AVG operating line and rate
  – On BS(a) and BS(a) Proforma

• Historical BS- upload and spread
  – In Loan Summary tab

• Complete real estate security section on Loan Summary tab
  – Choose commodity type, “Not Specified” will not work

• Complete balance sheet cash flow

• Lack of uploads
  – Verifications, UCC’s, tax returns, purchase agreements, estoppel

• Narrative
  – Lacking details and explanation for mitigating risk

• Complete package…..quicker approval!
Queue Management

• Need to withdraw a loan?
  – Send message asking to withdraw in the Communication/Attachment tab in AgPower
  – Include reason for withdraw

• Client Services will archive the loan for you

• Share this Application

• Administrator can change loan officer up to loan approval
  – Loan officer will be the only one who receives auto-notifications (i.e., emails) related to the application
Don’t Forget

- Updated Resources (visit the Resource Library)
  - Product Descriptions, Payment Schedule Guide, Central Servicer Contact Sheet
- Max Rate
  - Application tab
- UCC search
  - Must be within 90 days
- 2017 Tax return
- Additional training
- Request a Training Kit!
Questions or Comments?

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