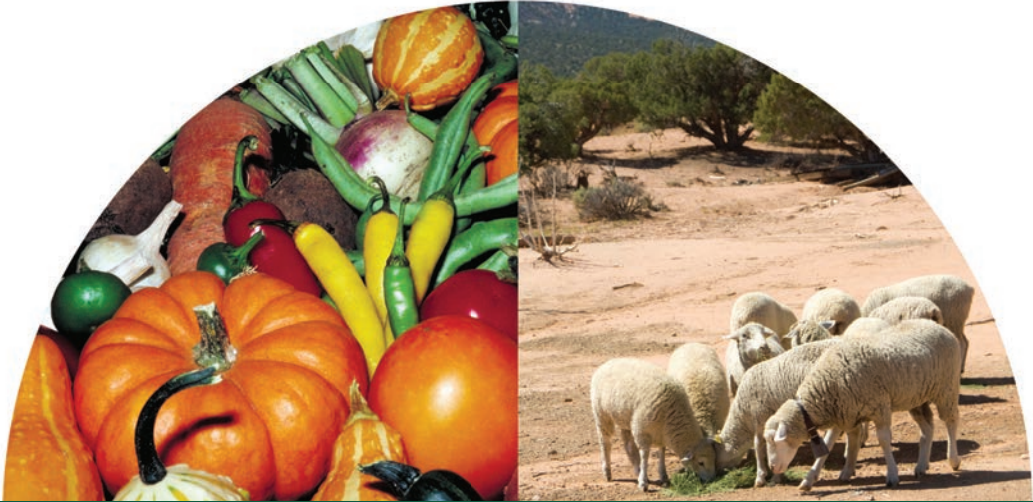




**United States Department of Agriculture**  
Farm Service Agency



# Your Guide to FSA Farm Loans

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## Purpose of This Guide

### *Who should read this guide?*

This guide was written for people who need assistance starting, expanding, or owning a farm or ranch. If you are thinking about borrowing money to start or expand your business, it is a good idea to ask yourself several questions before you begin. Before you borrow money, you need to invest time in learning about your options and the procedures to apply for a loan. This guide will help you identify concerns and questions you may have before you start the loan process.

It may be helpful to use this guide with someone who can direct you to more sources of farming or ranching information, such as an experienced farmer or rancher, community-based organization, or other service provider. You may want to involve your family when reviewing this guide to make sure everyone understands the process and risks involved in owning a business and borrowing money.



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## Introduction to the Farm Service Agency's Farm Loan Programs

As a farmer or rancher, whether you are just starting out or have many years of experience, there are times when you need to borrow money to start, expand, sustain, or make changes to your business. If you are thinking about applying for a loan, consider the following:

- *Do you want to buy or lease a farm or ranch?*
- *Do you need to buy things like a tractor, livestock, irrigation pipes, or a greenhouse for your farm or ranch?*
- *Do you already own or rent farmland/ranchland and want to expand your business?*
- *Has a natural disaster, such as drought, flooding, or a bad storm, ruined your crops or damaged your farm buildings or equipment?*



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**If you answered ‘yes’ to any of these questions, you may want to apply for a loan from the Farm Service Agency (FSA).**

FSA is an agency of the U.S. Department of Agriculture (USDA). You may be able to get a loan or loan guarantee through FSA’s Farm Loan Programs if you are a farmer or rancher who is unable to obtain credit elsewhere to start, purchase, sustain, or expand your family farm. Unlike loans from a commercial lender, FSA loans are temporary in nature, and our goal is to help you graduate to commercial credit. Once you are able to obtain credit from a commercial lender, our mission of providing temporary, supervised credit is complete.

Appendix A provides a list of USDA agencies and other organizations that you can contact for more information on agriculture, developing business plans, and obtaining help in applying for a loan. You will find definitions for some of the terms used in this guide in Appendix B.

This guide will help you get started in the process of applying for an FSA loan or obtaining a loan guarantee for your farm or ranch. FSA loan officers can help you with your application. For some parts of your application, such as developing your business plan, you may need to ask for advice from a business advisor or other professional. Everyone’s situation is different, so applying for a loan may be different for you than for another farmer or rancher going through the same process.



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## **Guaranteed Loan Program**

Guaranteed loans are made and serviced by commercial lenders, such as banks, the Farm Credit System, or credit unions. FSA guarantees the lender's loan against loss, up to 95 percent. FSA has the responsibility of approving all eligible loan guarantees and providing oversight of the lender's activities.

## **Direct Loan Program**

Direct loans are made and serviced by FSA using Government money. FSA has the responsibility of providing credit counseling and supervision to its direct borrowers by helping applicants evaluate the adequacy of their real estate and facilities, machinery and equipment, financial and production management, and goals.

## **Land Contract Guarantee Program**

Land contract guarantees are available to the owner of a farm or ranch who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher.

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# What Types of Loans Are Available?

## Overview

FSA has different types of loans that you can apply for, depending on your current situation and what you need the loan for. This guide will help you answer the following questions:

- *What type of loan do I need?*
- *Do I meet the requirements for a loan?*
- *What is the loan application process?*
- *What forms or documents do I need to apply?*

Farm ownership, operating, and conservation loans are available under the Guaranteed Loan Program. Farm ownership, operating, emergency, and conservation loans are available under the Direct Loan Program. FSA offers two types of guarantees under the Land Contract Guarantee Program.

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## Description of Loan Types

Before you apply, you need to decide what type of loan you need. You may need to apply for more than one type of loan at the same time if you need money for different purposes. FSA loan types include the following:

**Farm Ownership loans** will help you purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs, and pay for soil and water conservation and protection.

**Operating loans** will help you purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses.

**Emergency loans** will help you if you suffered a qualifying loss caused by natural disasters that damaged your farming or ranching operation. Emergency loan funds may be used to restore or replace essential property, pay all or part of production costs associated with the disaster year, pay essential family living expenses, reorganize the farming operation, and refinance certain debts.

**Conservation loans** will help you complete a conservation practice in an approved conservation plan.

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**Land contract guarantees** provide certain financial guarantees to the seller of a farm or ranch through a land contract sale to a beginning or socially disadvantaged farmer or rancher. The seller may request either of the following:

- **Prompt Payment Guarantee:** A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance. The seller must choose a third-party escrow agent who will handle transactions related to the contract.
- **Standard Guarantee:** A guarantee of 90 percent of the outstanding principal balance under the land contract. The seller must choose a third-party servicing agent.

The chart on the next page provides additional details for the different types of loans and the maximum loan amounts. You may request any amount up to the maximum. The rates and terms of the loan address the interest rate that will be charged and the maximum number of years you will make payments on the loan.

## Farm Loan Programs Information Chart

Type of Loan	Maximum Loan Amount	Rates and Terms
Direct Farm Ownership	\$300,000	<ul style="list-style-type: none"> <li>• Term: Up to 40 years</li> <li>• Interest rate: fixed**</li> </ul>
Direct Down Payment	The lowest of the following: <ul style="list-style-type: none"> <li>• 45% of the farm or ranch purchase price</li> <li>• 45% of the appraised value</li> <li>• \$225,000</li> </ul>	<ul style="list-style-type: none"> <li>• Term: Up to 20 years</li> <li>• Interest rate: fixed**</li> </ul>
Direct Operating	\$300,000	<ul style="list-style-type: none"> <li>• Term: 1 to 7 years</li> <li>• Interest rate: fixed**</li> </ul>
Direct Emergency	The lowest of the following: <ul style="list-style-type: none"> <li>• 100% actual or physical losses</li> <li>• \$500,000</li> </ul>	<ul style="list-style-type: none"> <li>• Term: 1 to 7 years (possibly up to 20 years) for non-real estate purposes</li> <li>• Up to 40 years for physical losses on real estate</li> <li>• Interest rate: fixed**</li> </ul>
Guaranteed Farm Ownership	The maximum loan amount is adjusted annually for inflation*	<ul style="list-style-type: none"> <li>• Term: Up to 40 years</li> <li>• The interest rate is negotiated by you and your lender.</li> </ul>
Guaranteed Operating	The maximum loan amount is adjusted annually for inflation*	<ul style="list-style-type: none"> <li>• Term: 1 to 7 years</li> <li>• The interest rate is negotiated by you and your lender.</li> </ul>
Guaranteed Conservation	The maximum loan amount is adjusted annually for inflation*	<ul style="list-style-type: none"> <li>• Term: Up to 20 years</li> <li>• The interest rate is negotiated by you and your lender.</li> </ul>

## Farm Loan Programs Information Chart *Continued*

Type of Loan	Maximum Loan Amount	Rates and Terms
Land Contract Guarantee	A maximum purchase price of \$500,000 on a new land contract	<ul style="list-style-type: none"> <li>• Term: Contract payments must be amortized for a minimum of 20 years with equal payments during the term of the guarantee. The guarantee period is 10 years.</li> <li>• Interest rates must be fixed and cannot exceed the direct farm ownership interest rate plus 3 percentage points.</li> </ul>

\*To determine the maximum loan limit for the current year, please check with your local FSA loan officer at <http://offices.sc.egov.usda.gov/locator/app> or our website at [http://www.fsa.usda.gov/Internet/FSA\\_File/guaranteed\\_farm\\_loans.pdf](http://www.fsa.usda.gov/Internet/FSA_File/guaranteed_farm_loans.pdf).

\*\*Direct loan interest rates are adjusted monthly and are posted online at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=fir> and at your local FSA office. Once your loan is closed, the interest rate is fixed at the rate in effect on the date of loan approval or loan closing, whichever is lower.

**Note:** FSA offers other types of loans, such as marketing assistance loans and farm storage facility loans. These are not part of FSA's Farm Loan Programs and, therefore, may have different application or eligibility requirements. For more information on these and other programs offered by FSA, please visit our website at <http://www.fsa.usda.gov>.

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## Loan Rates and Terms

When you receive a loan from FSA or another lender, you have to pay back the loan amount (principal), plus an additional amount of interest. “Rate” is the interest rate charged on your loan from FSA or your commercial lender. The period of time you are making payments on the loan is called the loan “term.” The amount of interest that you will pay is based on the interest rate and loan term.

The interest rate is shown as a percentage rate (%). A lower interest rate means that the cost of borrowing the money is lower, so you pay a smaller amount in interest. A higher interest rate means that the cost is higher, and you will pay more to borrow the money. Some interest rates are fixed, which means that the percentage rate (%) stays the same for the entire time you are paying back your loan. Other rates are variable, which means that the percentage rate (%) can change periodically while you are paying back your loan. With a variable interest rate, the rate can either increase or decrease. FSA direct loans and land contract guarantees have fixed interest rates. Guaranteed loans may have either fixed or variable interest rates.

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The loan term is usually based on the use of the loan funds and the collateral that secures the loan. Generally, a loan made for real estate purposes will have a longer term than a loan made to purchase equipment or livestock. In addition, a loan that is secured by real estate may have a longer term than a loan secured by equipment or livestock. A longer loan term will reduce your yearly payment amount, but will increase your total interest cost.

Amortization is the established schedule for paying off a debt over time through regular payments. It is based on the interest rate and term of a loan, and shows the amount of each payment put towards interest, as well as the amount put towards the principal balance. Initially, a large portion of each payment is applied to interest. Over time, a larger portion goes towards paying down the principal.

The example on the next page shows an amortization schedule for a \$30,000 operating loan with a 5-percent interest rate and a 7-year term. For each of the 7 years, you can see how much of your yearly payment goes toward paying interest and principal on the loan.



## Amortization Schedule

Year	Annual Payment	Principal	Interest	Loan Balance
			5.00%	\$30,000.00
1	\$5,185.00	\$3,685.00	\$1,500.00	\$26,315.00
2	\$5,185.00	\$3,871.00	\$1,314.00	\$22,444.00
3	\$5,185.00	\$4,063.00	\$1,122.00	\$18,381.00
4	\$5,185.00	\$4,266.00	\$919.00	\$14,115.00
5	\$5,185.00	\$4,479.00	\$706.00	\$9,636.00
6	\$5,185.00	\$4,703.00	\$482.00	\$4,933.00
7	\$5,185.00	\$4,933.00	\$252.00	\$0.00

## Targeted Funds for Beginning and Socially Disadvantaged Farmers and Ranchers

FSA is referred to as the “Lender of First Opportunity” because each year it targets some of the direct and guaranteed loan funds for beginning and socially disadvantaged farmers or ranchers. FSA sets aside money specifically to help farmers or ranchers who are just starting up, or who are members of a group which has been subjected to racial, ethnic, or gender prejudice because of their identity, without regard to their individual qualities. In addition, land contract guarantees are only available on land contracts to a beginning or socially disadvantaged farmer or rancher.

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You may qualify for direct or guaranteed loan funds as a beginning farmer or rancher if you started farming or ranching less than 10 years ago. You are a socially disadvantaged farmer or rancher if you are:

- American Indian or Alaskan Native
- Asian
- Black or African American
- Native Hawaiian or other Pacific Islander
- Hispanic
- a Woman



## Eligibility Requirements

Depending on the type of loan you want, you will have to meet certain eligibility requirements. Different types of loans have different eligibility requirements. Examples of general eligibility requirements are below. If you answer “no” to any of the requirements, we recommend that you discuss the requirement further with an FSA loan officer.

<b>Eligibility Requirements for Direct Loans (farm ownership, operating, emergency)</b>	<b>YES</b>	<b>NO</b>
I have the training, education, or experience that will enable me to effectively manage my farm or ranch.		
For farm ownership loans only: I have participated in the business operations of a farm or ranch for at least 3 out of the last 10 years.		
For beginning farmer or rancher targeted funds only: I have operated a farm or ranch for 10 years or less.		
For beginning farmer or rancher targeted funds only: If I currently own a farm or ranch, it is less than 30% of the median farm size in my county.		
For down payment loans only: I can make a cash down payment of at least 5% of the purchase price for the farm or ranch I want to buy, and its price is less than \$500,000.		
For emergency loans only: My operation is in a county that has a disaster designation, and it has not been more than 8 months since the designation was declared. I suffered a production loss (at least 30%) or a physical loss due to the designated disaster.		

<b>Eligibility Requirements for Direct Loans (farm ownership, operating, emergency) Continued</b>	<b>YES</b>	<b>NO</b>
I am a citizen of the United States, a non-citizen national, or a qualified alien.		
I possess the legal capacity to obtain a loan.		
I am unable to obtain credit elsewhere at reasonable rates and terms.		
I can show that I have a good credit history (I pay my bills on time) or, if I do not, I can show that my failure to pay my bills was due to circumstances beyond my control, was infrequent, or did not happen recently.		
My operation is a family farm or ranch, and the majority of the physical labor and management is provided by me, a family member, or another entity member.		
<p>I have not received debt forgiveness (caused FSA to lose money) on another direct or guaranteed loan.</p> <p><b>Note:</b> Debt forgiveness does not include debt reduction through a conservation contract, a write-down provided as part of a discrimination complaint or to claimants in certain legal settlements, or prior debt forgiveness that has been repaid in its entirety. (Contact an FSA loan officer for additional guidance or clarification.)</p>		
I will not be behind on any debt (other than a debt under the Internal Revenue Code of 1986) that I owe to the U.S. Government when the loan is closed.		

<b>Eligibility Requirements for Guaranteed Loans (farm ownership, operating, conservation)</b>	<b>YES</b>	<b>NO</b>
I am a citizen of the United States, a non-citizen national, or a qualified alien.		
I possess the legal capacity to obtain a loan.		
The lender will not approve my loan without an FSA guarantee.*		
<p>I have not received debt forgiveness (caused FSA to lose money) on another direct or guaranteed loan.</p> <p><b>Note:</b> Debt forgiveness does not include debt reduction through a conservation contract, a write-down provided as part of a discrimination complaint or to claimants in certain legal settlements, or prior debt forgiveness that has been repaid in its entirety. (Contact an FSA loan officer for additional guidance or clarification.)</p>		
My operation is a family farm or ranch, and the majority of the physical labor and management is provided by me, a family member, or another entity member.*		
I will not be behind on any debt (other than a debt under the Internal Revenue Code of 1986) that I owe to the U.S. Government when the loan is closed.		

<b>Eligibility Requirements for Land Contract Guarantees**</b>	<b>YES</b>	<b>NO</b>
I am a beginning or socially disadvantaged farmer or rancher.		
I am a citizen of the United States, a non-citizen national, or a qualified alien.		
I possess the legal capacity to enter into a legally binding agreement.		
The seller is unwilling to enter into the land contract without an FSA guarantee.		
I can show that I have a good credit history (I pay my bills on time) or, if I do not, I can show that my failure to pay my bills was due to circumstances beyond my control, was infrequent, or did not happen recently.		
My operation is a family farm or ranch, and the majority of the physical labor and management is provided by me, a family member, or another entity member.		
<p>I have not received debt forgiveness (caused FSA to lose money) on a direct or guaranteed loan.</p> <p><b>Note:</b> Debt forgiveness does not include debt reduction through a conservation contract, a write-down provided as part of a discrimination complaint or to claimants in certain legal settlements, or prior debt forgiveness that has been repaid in its entirety. (Contact an FSA loan officer for additional guidance or clarification.)</p>		
I will not be behind on any debt (other than a debt under the Internal Revenue Code of 1986) that I owe to the U.S. Government when the guarantee is issued.		

\*This requirement does not apply to a conservation loan.

\*\*These eligibility requirements apply to the buyer under the land contract.

Additional eligibility requirements apply to the seller.



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# Why Do You Need a Business Plan?

## The Purpose of Your Business Plan

Your business plan is like a road map that shows how you will move from where you are now to where you want your operation to be in the future. A good business plan that describes your financial and lifestyle goals will help you to evaluate your progress as you establish your new operation or continue your farm or ranch in the future. Your business plan is very important. It shows that you have seriously thought about your goals and plans for the future and that you understand all parts of your operation.



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In order to get an FSA loan, a guarantee on a loan made by a commercial lender, or a land contract guarantee, you need to create a detailed business plan that describes:

- your mission, vision, and goals for your farm or ranch.
- your current assets (property or investments you own) and liabilities (debts, loans, or payments you owe).
- what your operation will produce, and how and where you will market and sell your products. This is sometimes referred to as a marketing plan.
- whether the amount of income your operation will generate will be enough to pay your business and family living expenses.



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A comprehensive business plan is an important first step for any size business—no matter how simple or complex. You should create a strong business plan because it:

- will help you get organized and can help you to make sure you are taking all of the necessary steps and remembering all of the details.
- will act as your guide. It will help you to think carefully about why you want to farm or ranch and what you want to achieve in the future. Over time, you can look back at your business plan and determine whether you are achieving your goals.
- is required to get a loan. Lenders look closely at business plans to determine if you can afford to repay the loan.

## Business Plan Guides for Farmers and Ranchers

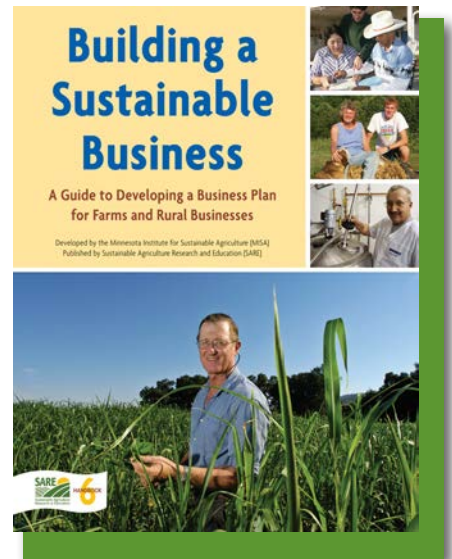
Below are examples of agricultural business planning guides that can help you think about all of the important parts of your operation. These products are for reference only and do not represent the opinions of FSA, nor does FSA endorse any specific commercial product. There may be other products available that you would prefer.

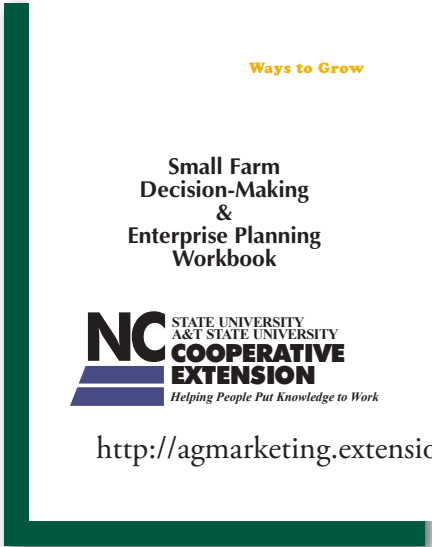
### *Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses*

Developed by the Minnesota Institute for Sustainable Agriculture, and published by the Sustainable Agriculture Research and Education.

Available free online at:

<http://www.misa.umn.edu/Publications/BuildingaSustainableBusiness/index.htm>



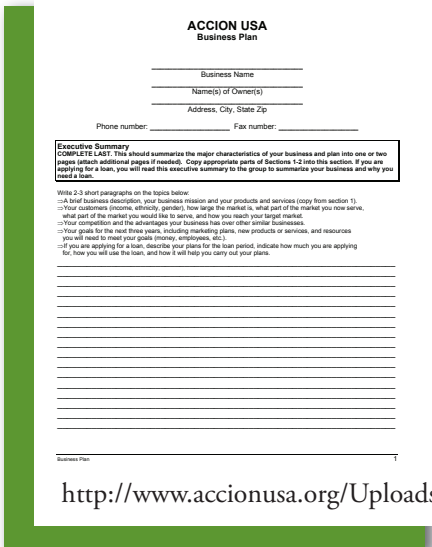


*Small Farm Decision-Making & Enterprise Planning Workbook*

North Carolina State University Cooperative Extension.  
(c)1992

Available free online at:

<http://agmarketing.extension.psu.edu/begfrmr/SmlFrmDecisionMAkingWrkbk.pdf>



*Accion USA Business Plan Template*

Accion USA Small Business Resources. (c)2007

Available free online at:

[http://www.accionusa.org/Uploads/FileManager/YMY/Business%20Plan%20Template\\_English.pdf](http://www.accionusa.org/Uploads/FileManager/YMY/Business%20Plan%20Template_English.pdf)

## AgPlan

AgPlan Center for Farm Financial Management, Regents of the University of Minnesota (c)2007-2010

Available free online at:  
<https://www.agplan.umn.edu>



## Financial Record Keeping for Small Farmers and Ranchers

Prepared by the Rural Coalition, Rural Coalition member groups and Intertribal Agriculture Council in partnership with USDA's Risk Management Agency September, 2004

Available free online at:  
<http://indianaglink.com/financialcurriculum.html>

### Financial Record Keeping for Small Farmers and Ranchers

This curriculum and training guide is designed to introduce basic tax concepts related to farmers with a specific emphasis on small and limited resource farmers and ranchers. In order to accomplish this goal, we have used examples of tax consequences and definitions and concepts. We have made an effort to simplify IRS definitions, as well as highlight and elaborate on concepts especially applicable to small and limited resource farmers and ranchers. In addition, we have included an example of hypothetical records, loan applications, and a Farmer's Profit and Loss tax form for a fictional farm operation. In the typical case, farmers would review the definitions, concepts and examples and later apply the acquired knowledge to their specific farm operation. Due to our efforts to keep things simple, it is important to note the use of these concepts, definitions, and examples is limited since they are not specific to a particular farm operation, nor consider every conceivable tax definition or example. We strongly encourage each individual to seek tax advice from a competent farm tax accountant.

[A Guide to Financial Record Keeping for Farmers & Ranchers](#)

[Financial Worksheet P&L](#)

[Financial Worksheet Expenses & Income](#)

[Example of Record Keeping](#)

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## Obtaining Assistance To Develop Your Business Plan

Creating a good business plan takes time and effort. You may want to find a business advisor who can help you with the process. There are many sources for professional advice, and it may be helpful to attend workshops that focus on business planning. Your FSA loan officer may be able to assist you or refer you to an advisor in your area who has experience in advising farmers and ranchers. The following are some organizations that provide assistance in developing business plans:

- Small Business Counselors (SCORE) is a nonprofit organization with a network of volunteers who have experience in running and managing businesses. Its representatives can give you advice on how to create a good business plan.
- The USDA's National Institute of Food and Agriculture administers the Extension Risk Management Education (ERME) program through four regional ERME Centers and a fifth "Digital Center." The program's objective is to educate farmers and ranchers on the full range of strategies to manage the risks inherent in agriculture, particularly production, price, finances, legal issues, and human resource management. Such strategies may include futures,

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options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, product and enterprise diversification, farm labor management, and farm resources risk reduction, among others.

- Your local Cooperative Extension office may also be able to provide you with information for your operation.

**Note:** Contact information for FSA, SCORE, ERME Centers, and Cooperative Extension are included in Appendix A of this guide.

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## Business Plan Formats

There are many different styles of business plans. Some are written documents; others may be a set of worksheets that you complete. No matter what format you choose, several key aspects of your operation are important to consider.

Use the guidelines below to start thinking about your business plan. Remember, you will answer these kinds of questions in more detail when you create your official business plan and meet with an FSA loan officer or another lender to apply for a loan.

## Business Plan Guidelines

### *1. Are you starting a new farm or ranch, or are you already in business?*

- What products do you produce?
- What is the size of your operation?
- Is the ownership structure of your business a sole proprietorship, partnership, corporation, or other type of entity?
- What agricultural production and financial management training or experience do you, your family members, or your business partners have?
- How long have you been in business?

### *2. What short- and long-term goals do you have for your operation?*

- How do you plan to start, expand, or change your operation?
- What plans do you have to make your operation more efficient or more profitable?
- What type of farm or ranch model (conventional, sustainable, organic, or alternative agricultural practices) do you plan to use?

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### *3. What resources do you have, or will you need, for your business?*

- Is the equipment and real estate that you own or rent adequate to conduct your operation? If not, how do you plan to address those needs?
- What additional resources do you need?

### *4. Do you have a support system in place?*

- What help will you have operating and managing your farm or ranch?
- What other resources, such as a mentor or community-based organization, do you plan to use?

### *5. Will the income you generate be sufficient to pay your operating expenses, living expenses, and loan payments?*

- What crops, livestock, or other products do you plan to sell?
- How will you market your products?
- Are the yields and prices you used to estimate your income realistic?
- What other sources of income are available to supplement your business income?
- What business expenses will you incur?
- What family living expenses do you pay?
- How will you measure the success of your business?



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## **How Do You Apply for a Guaranteed Loan?**

### **Preparing a Guaranteed Loan Application**

Contact your lender if you are interested in an FSA guaranteed loan. Your lender will assist you in preparing the forms needed. The forms for a guaranteed loan application may be obtained from the local FSA office or from the FSA website at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

### **Submitting a Guaranteed Loan Application**

Your lender will submit the guaranteed loan application to FSA.

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# What Happens After Your Lender Submits a Guaranteed Loan Application to FSA?

## FSA's Processing of the Guaranteed Application

After receiving the application from your lender, FSA will:

- review the application to determine whether all required forms and documents have been submitted and provide written notification of any missing items to the lender within 5 days. You will receive a copy of this notification.
- provide written notification to the lender within 5 days of receiving all forms and documents that the application is complete.
- review the application for eligibility, repayment ability, security, and compliance with other program requirements.

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## **If the Application for a Guarantee Is Approved**

If the application for a guarantee is approved, FSA will provide written notification to the lender. Normally, your lender will schedule the loan closing as soon as possible after receiving approval. However, FSA receives funding for guarantees on a fiscal-year basis, and the demand for some guaranteed loan types may exceed the level of funding received. When this occurs, FSA will notify the lender that the guarantee is approved subject to the availability of funds and the loan cannot be closed until additional funding is received.

**Note:** For most loans, FSA charges the lender a guarantee fee of 1.5 percent of the guaranteed portion of the loan. The lender may pass this fee on to you. The fee is waived under some circumstances.

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## If the Application for a Guarantee Is Not Approved

If the application for a guarantee is not approved, FSA will provide the lender written notification of:

- the reason it cannot be approved.
- the opportunity to request:
  - reconsideration, which provides the opportunity to meet with an FSA loan officer to present additional information and explain why FSA's decision may be in error;
  - mediation, which is a process for resolution of a disagreement. A trained neutral mediator assists two or more parties who disagree by looking at the issues, considering all available options, and attempting to have both parties agree on an acceptable solution;
  - an appeal to the National Appeals Division, an independent organization within USDA, where evidence may be presented demonstrating why FSA's decision may be wrong.
- your rights if you believe you have been discriminated against under the Federal Equal Credit Opportunity Act or USDA regulations.

**Note:** You will receive a copy of this notification.

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# How Will Your Guaranteed Loan Be Serviced?

## Lender Responsibilities

Lenders must supervise guaranteed loan borrowers in a manner similar to the supervision of their other agricultural loan customers. Lenders are expected to apply standard agricultural loan servicing principles to their guaranteed customers.

## Your Responsibilities

As a guaranteed loan borrower, you are responsible for complying with all loan agreements you have with your lender.

## FSA Responsibilities

FSA will monitor the lender's supervision of guaranteed loan borrowers and will provide written notification of any deficiencies.

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# How Do You Apply for a Direct Loan?

## Preparing Your Direct Loan Application

You may obtain the forms for a direct loan application by visiting your local office or from the FSA website at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>. Your FSA loan officer can provide assistance in completing the FSA forms or can identify other sources of assistance in your area. Although it may take time to gather the information to prepare your application, it will save time when FSA is reviewing your application.



A direct loan application includes the following forms and documents.

<b>Form Title</b>	<b>Description of Use</b>
<b>FSA-2001</b> Request for Direct Loan Assistance	Used to obtain general information regarding your business, and the amount and planned use of the loan requested.
<b>FSA-2002</b> Three-year Financial History	Used to gather 3 years of financial history for your operation.
<b>FSA-2003</b> Three-Year Production History	Used to gather 3 years of production history for your operation.
<b>FSA-2004</b> Authorization to Release Information	Authorizes your employers, financial institutions, and creditors to verify and provide FSA with your employment, income, or other financial information in connection with submission of your application.
<b>FSA-2005</b> Creditor List	Used to gather information regarding your creditors.
<b>FSA-2037</b> Farm Business Plan Worksheet Balance Sheet	Used to gather information on your assets and liabilities.
<b>FSA-2038</b> Farm Business Plan Worksheet Projected Actual Income and Expense	Used to gather your income and expense information.
<b>FSA-2302</b> Description of Farm Training and Experience	Provides details on your farm or ranch training and experience if you are a new applicant or are adding a new enterprise to your operation.

Additional Requirements	Description of Use
<b>Tax Returns (3 years)</b>	The income and expenses reported on your tax returns will be used to evaluate your business history.
<b>Leases and Contracts</b>	Farm lease, rental agreements, or other contracts that affect the operation of your business.
<b>Environmental Compliance</b>	An FSA loan officer will help you in determining if you have met all applicable environmental regulations and requirements.
<b>Credit Report Fee</b>	You will have to pay a credit report fee so FSA can obtain your credit history. The amount of the fee varies, depending on the structure of your business and how many people are applying for the loan.

**Note:** Additional forms and documents may be needed. Your FSA loan officer will advise if additional information is required.



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## Submitting Your Direct Loan Application

You may submit your application by:

- calling for an appointment with an FSA loan officer;
- mailing, faxing, or delivering your application to your local FSA office; or
- electronically submitting your application if you have registered through the e-gov system.

**Note:** For more information on submitting your application electronically, please visit the website <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.



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# What Happens After You Submit Your Direct Loan Application to FSA?

## FSA's Processing of Your Direct Loan Application

After receiving your application, FSA will:

- provide written notification of receipt within 2 days.
- review your application to determine if all required forms and documents have been submitted and notify you in writing within 10 days if any items are missing.
- provide written notification within 10 days of receiving all forms and documents that your application is complete.
- make a final decision on your loan application within 60 days of receiving all required forms and documents.

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*Helpful Hints:*

- In most cases, FSA will schedule a meeting shortly after receiving your loan application to discuss your request.
- Be sure to ask questions if there is anything you do not understand. Your FSA loan officer will explain anything that you do not understand. FSA may provide technical assistance or refer you to a subject-matter expert.
- If you are not satisfied with the level of service that you are receiving from the local FSA office, you may contact the applicable FSA State Office or FSA National Headquarters. The contact numbers for these offices may be found at <http://www.fsa.usda.gov>.

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## If Your Direct Loan Is Approved

If your loan is approved, FSA will provide written notification of:

- the approved use of loan funds
- the interest rate
- the term of the loan
- the collateral that you will have to pledge to secure the loan
- when loan funds are expected to be available
- any pre-loan closing requirements
- your responsibilities as an FSA direct loan borrower.

You will need to sign and return the letter accepting the loan conditions.

*Helpful Hint: Make sure you understand the loan conditions and your responsibilities. Contact your FSA loan officer if you have any questions.*

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Loan closing will be scheduled as soon as possible after loan approval. Normally, loan funds are provided within 15 days of approval. However, FSA receives funding for loans on a fiscal year basis, and the demand for some loan types may exceed the level of funding received. When this occurs, a loan can be approved subject to the availability of funding, but it cannot be closed until additional funding is received.

Operating loans will be closed by your FSA loan officer.

Farm ownership loans will be closed by an attorney or title agency of your choice. However, if a lien will be taken on tribal lands held in trust or restricted status, a Title Status Report and approval of the lien from the Bureau of Indian Affairs is required.

At closing, you will sign several documents, including a promissory note and lien instruments to secure the loan. Keep all of your loan documents, loan closing paperwork, and financial records together in a safe place so you can find them easily.

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## If Your Direct Loan Is Not Approved

If your loan is not approved, FSA will provide written notification of:

- the reason your loan cannot be approved.
- your opportunity to request:
  - reconsideration, which provides you with the opportunity to meet with the FSA loan officer to present additional information and explain why you believe FSA's decision may be in error;
  - mediation, which is a process for resolution of a disagreement. A trained neutral mediator assists two or more parties who disagree by looking at the issues, considering all available options, and attempting to agree on an acceptable solution;
  - an appeal to the National Appeals Division, an independent organization within USDA, where you may present evidence which demonstrates why you believe that FSA's decision may be wrong.
- your rights if you believe you have been discriminated against under the Federal Equal Credit Opportunity Act or USDA regulations.

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**Note:** If your loan is not approved, your FSA loan officer may be able to advise you of potential actions or alternatives that might help resolve the issues that resulted in the denial of your loan request.



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## What Are Your Responsibilities as a Direct Loan Borrower?

After you receive your loan, it is your responsibility to:

- follow the business plan on which your loan was based; it is your blueprint for success.
- always pay your loan on time. If you cannot make payments to suppliers, other creditors, or FSA on time, contact your FSA loan officer immediately to discuss loan servicing options that may be available to assist you.
- keep good business records that include all:
  - farm operating and family living expenses.
  - income from crops, livestock, and other sources.



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- maintain loan security, which includes:
    - keeping livestock safe, healthy, and well fed.
    - maintaining all real estate, buildings, and machinery.
    - paying insurance, real estate taxes, and other taxes when due.
    - not placing any additional liens or encumbrances on the property that you pledged as collateral to secure your loan without first getting FSA's permission.
  - attend any required production and/or financial management skills training.
  - talk with your FSA loan officer to change your business plan:
    - if you need to make expenditures outside the business plan or need to change it for any reason.
    - if you plan to sell any portion of your crop and/or livestock in a different way than described in your business plan.
    - when you propose to sell or trade any equipment.
  - have checks you receive from buyers made jointly payable to you and FSA. (FSA will release these proceeds to you in accordance with your business plan.)

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## **What Credit Supervision Does FSA Provide to Direct Loan Borrowers?**

FSA will provide oversight, technical assistance, and management expertise to assist in various ways to help you succeed while also protecting the Government's interest.

### **Year-End Analyses**

At the end of each business cycle, your FSA loan officer will make an appointment with you to:

- review your records;
- help you plan for the following year's operation, including determining if additional loan assistance is needed from FSA; and
- help you review your business plan and make any changes.

### **Chattel Checks**

During the year, FSA officials may make periodic reviews or "chattel checks" to look at crops, equipment, and livestock that you have pledged as security or collateral for your loan. FSA will also work with you to account for your livestock, equipment, and other collateral and to make sure

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that the livestock are healthy and equipment is in good repair.

### **Normal Income Security**

Normal income security is the crops and livestock that you produce on your farm or ranch that FSA financed. The income from the sale of this security can be released to you in accordance with your business plan.

### **Basic Security**

Basic security refers to real estate, equipment, machinery, and foundation and breeder livestock, herds, and flocks that secure your loan. This property must be maintained and kept in good repair throughout the term of the loan. It is also very important that you do not sell or trade any of this security property without discussing it first with your local FSA office.

### **Graduating to Commercial Credit**

FSA provides temporary credit to assist farmers or ranchers when they cannot get commercial loans. When you make sufficient financial progress to operate without FSA assistance, you will be asked to graduate by refinancing your FSA loans with a commercial lender. This can be accomplished with or without an FSA guarantee on the commercial loan.

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## **What Loan Servicing Options Will Be Available to Direct Loan Borrowers?**

If it appears that you will not be able to make a scheduled payment, or you become delinquent on your FSA loan, FSA offers servicing options to help avoid or resolve delinquency.

### **Disaster Set-Aside (DSA)**

Under certain circumstances, FSA can move one annual payment to the end of your loan if you are not able to make the payment on schedule. This set-aside payment will include the unpaid interest and any principal due for that payment. Interest will accrue on any principal portion of the set-aside at the same rate charged on the balance of the loan. This benefit is available only in disaster areas designated by the President, Secretary of Agriculture, or FSA Administrator. FSA will inform you of the availability of a disaster set-aside by mail and through news releases if your county is designated.

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*Example: Sarah Thompson believes that she will not be able to make all her scheduled payments, and she sees an announcement in the paper that her county received a disaster designation. She can go to the local FSA office and inquire about applications for both emergency loans and DSA, even if she has not yet received her DSA announcement directly from FSA. An FSA loan officer can assist her in determining if she qualifies for an emergency loan and DSA.*

## **Primary Loan Servicing (PLS) for Financially Distressed and Delinquent Borrowers**

If you are not able to make your payment or you become delinquent on your loan, you may want to be considered for PLS. Under this program, your loan may be restructured if your inability to make your payment is due to circumstances beyond your control. Debt write-down may be considered in restructuring your loan if you are delinquent.

If you apply for PLS and cannot develop a plan that shows you can repay your existing debt, you may pay FSA the lower of the current market value of the loan collateral or the full amount you owe. If you are unable to pay the lower of these two amounts, then FSA will be required to move ahead with debt collection by declaring the entire debt due

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and payable (acceleration) and eventually selling the property you pledged as collateral. During this process, FSA may offset any eligible Federal payments from USDA or other Government sources, which will be credited to your account.

PLS is used instead of DSA for more severe delinquencies or when the operation needs more long-term relief. FSA will notify you of the availability of PLS when you become more than 90 days past due on your payments. It is very important that you read the notice carefully and provide a servicing application to FSA within 60 days. Contact FSA if there is anything that you do not understand or if you need assistance completing your application.

*Example: David Jones was a little over 3 months late on his FSA loan payments due to adverse weather conditions and a crop failure last year. He received notification in the mail from his local FSA office advising him of available loan servicing options that must be requested within 60 days of his receipt of the notification. The forms he needs in order to apply were included with the notification. He may want to make an appointment with the FSA office or get help from a financial or legal professional. If he applies for loan servicing, FSA may be able to restructure his annual payments to better match his operation. If he does*

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*not make his payment or apply for loan servicing, he will be notified of his right to request reconsideration, mediation, and/or appeal. If these options do not result in a resolution, the Government will move to offset any payments or refunds he is to receive, accelerate (declare his loans due and payable), and sell his loan security.*



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## How Do You Apply for a Land Contract Guarantee?

### Preparing a Land Contract Guarantee Application

You may obtain the forms for a land contract guarantee application by visiting your local office or from the FSA website at

<http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

You will need to complete most of the application forms; however, there is one form that will need to be completed by the seller. Your FSA loan officer can provide assistance in completing the FSA forms or can identify other sources of assistance in your area.



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## Submitting a Land Contract Guarantee Application

You or the seller can submit the land contract application to FSA by:

- calling for an appointment with an FSA loan officer;
- mailing, faxing, or delivering your application to your local FSA office; or
- electronically submitting your application if you have registered through the e-gov system.

**Note:** For more information on submitting your application electronically, please visit the website <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

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## **What Happens After You or the Seller Submits a Land Contract Guarantee Application?**

### **FSA's Processing of the Land Contract Guarantee Application**

After receiving your application, FSA will:

- review your application to determine if all required forms and documents have been submitted and notify you and the seller in writing within 10 days if any items are missing.
- provide written notification to you and the seller after receiving all forms and documents that your application is complete.

### **If the Application for a Land Contract Guarantee Is Approved**

If the application for a land contract guarantee is approved, FSA will arrange for the guarantee to be signed by you, the seller, and the escrow or servicing agent.

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## **If the Application for a Land Contract Guarantee Is Not Approved**

If the application for a land contract guarantee is not approved, FSA will provide you and the seller written notification of:

- the reason it cannot be approved.
- the opportunity to request:
  - reconsideration, which provides you with the opportunity to meet with an FSA loan officer to present additional information and explain why you believe FSA's decision may be in error;
  - mediation, which is a process for resolution of a disagreement. A trained neutral mediator assists two or more parties who disagree by looking at the issues, considering all available options, and attempting to agree on an acceptable solution;
  - an appeal to the National Appeals Division, an independent organization within USDA, where you may present evidence which demonstrates why you believe that FSA's decision may be wrong.
- your rights if you believe you have been discriminated against under the Federal Equal Credit Opportunity Act or USDA regulations.

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# How Will Your Land Contract Guarantee Be Serviced?

## Escrow or Servicing Agent Responsibilities

The escrow or servicing agent will handle transactions relating to the land contract between the buyer and the seller, including receiving payments from the buyer and sending them to the seller.

## Your Responsibilities

You are responsible for complying with the terms of the land contract and guarantee agreements.



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## **Special Considerations for American Indian/Alaskan Native Producers and/or Any Producer Utilizing Land Held in Trust by the Bureau of Indian Affairs**

If you are considering utilizing land held in trust by the United States Government, through the U.S. Department of the Interior's Bureau of Indian Affairs (BIA), this arrangement should be discussed with the appropriate BIA staff. This includes American Indian producers who wish to potentially utilize allotted trust land as collateral to secure their loan, any producer who would lease trust land as part of an agricultural operation, or any producer who will enter into a contract with a tribe to operate an agricultural operation. To determine whether this is applicable, you should utilize the contact information and website below.

### **Bureau of Indian Affairs**

Mailing Address:

Bureau of Indian Affairs

MS-4606

1849 C Street, N.W.

Washington, D.C. 20240

Website: <http://www.bia.gov/>

Telephone: (202) 208-5116

Telefax: (202) 208-6334

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## **Appendix A: Resources and Contact Information**

### **USDA Agencies**

#### **Agricultural Marketing Service (AMS)**

**Website:** <http://www.ams.usda.gov>

AMS facilitates the strategic marketing of agricultural products in domestic and international markets while ensuring fair trading practices and promoting a competitive and efficient marketplace. AMS constantly works to develop new marketing services to increase customer satisfaction.

#### **Agricultural Research Service (ARS)**

**Website:** <http://www.ars.usda.gov>

ARS is USDA's principal in-house research agency. ARS leads America towards a better future through agricultural research and information.

#### **Animal and Plant Health Inspection Service (APHIS)**

**Website:** <http://www.aphis.usda.gov>

APHIS provides leadership in ensuring the health and care of animals and plants. The agency improves agricultural productivity and competitiveness and contributes to the national economy and the public health.

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## **Center for Nutrition Policy and Promotion (CNPP)**

**Website:** <http://www.cnpp.usda.gov>

CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers.

## **Economic Research Service (ERS)**

**Website:** <http://www.ers.usda.gov>

ERS is USDA's principal social science research agency. Each year, ERS communicates research results and socioeconomic indicators via briefings, analyses for policymakers and their staffs, market analysis updates, and major reports.

## **Farm Service Agency (FSA)**

**Website:** <http://www.fsa.usda.gov>

The Farm Service Agency implements agricultural policy; administers credit and loan programs; and manages conservation, commodity, disaster, and farm marketing programs through a national network of offices.

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## **Food and Nutrition Service (FNS)**

**Website:** <http://www.fns.usda.gov>

FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthy diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

## **Food Safety and Inspection Service (FSIS)**

**Website:** <http://www.fsis.usda.gov>

FSIS enhances public health and well-being by protecting the public from foodborne illness and ensuring that the Nation's meat, poultry, and egg products are safe, wholesome, and correctly packaged.

## **Foreign Agricultural Service (FAS)**

**Website:** <http://www.fas.usda.gov>

FAS works to improve foreign market access for U.S. products. This USDA agency operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace.

## **Forest Service (FS)**

**Website:** <http://www.fs.usda.gov>

FS sustains the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.



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## **Grain Inspection, Packers, and Stockyards Administration (GIPSA)**

**Website:** <http://www.gipsa.usda.gov>

GIPSA facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products. It also promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA ensures open and competitive markets for livestock, poultry, and meat by investigating and monitoring industry trade practices.

## **National Agricultural Library (NAL)**

**Website:** <http://www.nal.usda.gov>

NAL ensures and enhances access to agricultural information for a better quality of life.

## **National Agricultural Statistics Service (NASS)**

**Website:** <http://www.nass.usda.gov>

NASS serves the basic agricultural and rural data needs of the country by providing objective, important, and accurate statistical information and services to farmers, ranchers, agribusinesses, and public officials. This data is vital to monitoring the ever-changing agricultural sector and carrying out farm policy.

## **National Institute of Food and Agriculture (NIFA)**

**Website:** <http://www.nifa.usda.gov>

NIFA's unique mission is to advance knowledge for agriculture, the environment, human health and well-being, and communities by supporting

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research, education, and extension programs in the Land-Grant University System and other partner organizations. NIFA does not perform actual research, education, and extension, but rather helps fund it at the State and local level and provides program leadership in these areas.

### **Natural Resources Conservation Service (NRCS)**

**Website:** <http://www.nrcs.usda.gov>

NRCS provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

### **Risk Management Agency (RMA)**

**Website:** <http://www.rma.usda.gov>

RMA helps to ensure that farmers have the financial tools necessary to manage their agricultural risks. RMA provides coverage through the Federal Crop Insurance Corporation, which promotes national welfare by improving the economic stability of agriculture.

### **Rural Development (RD)**

**Website:** <http://www.rurdev.usda.gov>

RD helps rural areas to develop and grow by offering Federal assistance that improves quality of life. RD targets communities in need and then empowers them with financial and technical resources.

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## Online Resources

### Start2Farm.gov

Website: <http://www.Start2Farm.gov>

Start2Farm.gov is an online database connecting beginning farmers and ranchers with available programs and resources created by USDA's National Agricultural Library, in partnership with the American Farm Bureau Federation.

**Note:** Start2Farm.gov is for reference only and does not represent the opinions of FSA, nor does FSA endorse any specific commercial product. There may be other products, programs, and services available that could better meet the specific needs of individual farmers and ranchers.

## Other Organizations

### Cooperative Extension System Offices

Website: <http://www.nifa.usda.gov>

Each U.S. State and territory has a Cooperative Extension State office at its land-grant university and a network of local or regional offices. These offices are staffed by one or more experts who provide useful, practical, and research-based information to agricultural producers, small business owners, youth, consumers, and others in rural areas and communities of all sizes.

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## **Small Business Counselors (SCORE)**

**Website:** <http://www.score.org>

SCORE, a nonprofit organization, is a network of volunteers who provide resources to help entrepreneurs start, grow, and succeed in their business. SCORE operates through 364 chapters located throughout the United States and provides confidential business counseling services at no charge.

## **Extension Risk Management Education (ERME) Centers**

**Website:** [http://www.nifa.usda.gov/nea/economics/in\\_focus/farm\\_if\\_risk.html](http://www.nifa.usda.gov/nea/economics/in_focus/farm_if_risk.html)

The four regional ERME centers provide funds on a competitive basis to extension educators and farm management consultants who have the expertise to develop and deliver risk mitigation materials to agricultural producers. The Digital Center serves as the clearinghouse for risk management material and provides risk management curricula, information, tools, and assistance through an online resource called the National Ag Risk Education Library.

## **Additional Resources for American Indians/Alaskan Natives**

### **Intertribal Agriculture Council (IAC)**

**Website:** <http://www.indianaglink.com>

The Intertribal Agriculture Council pursues and promotes conservation, development, and use of agricultural resources for the betterment of American Indians/Alaskan Natives.

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## **IAC Regional Technical Assistance Program Offices**

**Website:** <http://www.iactechhelp.com/regions>

Through assistance from USDA's Office of Tribal Relations, the Intertribal Agriculture Council has established IAC Regional Technical Assistance Program Offices. These regional offices provide technical assistance and outreach to Indian producers and tribes. They provide guidance through the regulations and processes of Federal agencies and:

- teach intensive financial, business, and marketing planning skills and understanding of basic and advanced farm and ranch business management skills to American Indian/Alaskan Native farmers and ranchers;
- teach leasing requirements for tribal trust and restricted lands to American Indian/Alaskan Native farmers and ranchers in coordination with the Bureau of Indian Affairs; and
- support the deployment of tribal agriculture advocates and technical assistance providers in key locations throughout Indian Country, who will serve alongside consolidated sub-offices at tribal headquarters, tribal agriculture USDA liaisons, third-party regional employees, and others.

## **Indian Land Tenure Foundation**

**Website:** <http://www.iltf.org>

The Indian Land Tenure Foundation is a community-based nonprofit organization focused on the recovery, management, and control of American Indian lands by Indian people. They work with Indian people, Indian organizations, tribal communities, tribal governments, and others connected to Indian land issues.

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## Indian Land Working Group

Website: <http://indianlandworkinggroup.org>

The Indian Land Working Group is dedicated to the restoration and recovery of the native land base and the control, use, and management of this land base by tribal communities.

**Note:** The information describing these organizations was obtained primarily from their websites.



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## Appendix B: Definition of Terms

**Assets:** Property owned by a person, both tangible (for example, land, buildings, vehicles) and intangible (for example, training, experience).

**Default:** The failure of a borrower to observe any agreement with the agency, or the lender in the case of a guaranteed loan, as contained in promissory notes, security instruments, and similar or related instruments.

**Escrow Agent:** A third-party agent selected by a seller who has obtained a prompt payment guarantee under the Land Contract Guarantee Program. Escrow agents must be bonded and may include title insurance companies, attorneys, financial institutions, or any fiscally responsible institution as determined and approved by FSA.

**Family farm:** A farm or ranch that produces agricultural commodities for sale in sufficient quantities so that it is recognized as a farm or ranch rather than a rural residence. Both physical labor and management are provided by the borrower, entity member, or family members. Hired labor may be used to supplement family labor, such as temporary labor for seasonal peak workloads.

**Foreclosure:** The act of selling security by a lender, either under the power of sale in the security instrument or through judicial proceedings.

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**Land Contract:** An installment contract between a buyer and a seller for the sale of real property, in which complete ownership of the property is not transferred until all payments under the contract have been made.

**Liabilities:** Debts that a person or business owes.

**Lien:** A legally enforceable claim against real or chattel property of another obtained as security for the repayment of indebtedness, or an encumbrance on property to enforce payment of an obligation.

**Promissory note:** A written agreement to pay a specified sum on demand or at a specified time to the party designated.

**Security instrument:** Any document giving the agency a security interest on real or personal property.

**Servicing Agent:** A third-party agent selected by a seller who has obtained a standard guarantee under the Land Contract Guarantee Program. Servicing agents must be bonded commercial lending institutions or similar entities that are registered and authorized to provide escrow and collection services in the State in which the real estate is located.



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This booklet is modeled on a guide that was originally developed by the New Entry Sustainable Farming Project, Northeast Network of Immigrant Farming Projects, in September 2007. That guide was authored by Vanessa Bitterman and reviewed by Jennifer Hashley, New Entry Sustainable Farming Project Director, and David DeFrest, FSA Loan Officer, Westford, MA.

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**June 2012**  
FSA-BR-01