

# NEW FARMERS

## FSA Farm Loan Programs

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## FSA Farm Loans:

- Provide access to land and capital.
- Assist in scaling your operation.
- Require no down payment for direct loans.
- Have low interest rates
- Have flexible loan terms







## Targeted Loan Funds and Incentives:

- Beginning Farmers and Ranchers
- Minority and Women Farmers and Ranchers

## Incentives

- Veteran Farmers

## What are the Eligibility Requirements?

- Be a family farmer or rancher;
- Have a satisfactory credit history;
- Not have provided FSA with false or misleading documents or statements in the past;
- Be a citizen of the United States, a non-citizen national, or a qualified alien;



## General Eligibility Requirements – continued

- Be unable to obtain credit elsewhere at reasonable rates and terms;
- Have the legal capacity to incur obligations of the loan;
- Not have outstanding unpaid U.S. judgments;
- Not be delinquent on a federal debt;





## General Eligibility Requirements – continued

- Not have been convicted of growing, producing, harvesting, or storing a controlled substance within last 5 crop years;
- Not have received debt forgiveness from FSA (with exceptions)
- Have the training, education, or farm experience to manage the farm or ranch.





# Farm Ownership Loans

Can be used to pay for:

- Land purchases
- Capital improvements
- Soil and water conservation
- Loan closing and related expenses

Farm Ownership loans can be repaid in up to 40 years.

Limit \$600,000



# Operating Loans



Can be used to purchase:

- Equipment
- Livestock
- Production expenses
- Refinance operating expenses

Operating loans can be repaid in 1-7 years.

Limit is \$400,000.





Limited to \$50,000 and have a simpler application process and less paperwork. There are both ownership and operating microloans.

## Microloans

- Repayment terms for Operating Loans are 1 to 7 years
- Repayment terms for Farm Ownership Loans are up to 25 years





# Youth Loans

- Operating Loans
- Used to support income-producing, ag related projects
- Youth ages 10-20
- \$5,000 loan limit
- Repayment is 1-7 years







## Guaranteed Loans:

- Are made and serviced by agricultural lenders (farm credit, local bank etc.)
- Funded by the lender
- Often used to help lenders continue with customers who have experienced setbacks
- To qualify for a FSA guarantee loan an applicant must: meet general eligibility requirements, be unable to obtain the loan without a guarantee and have a feasible plan and adequate collateral as determined by the lender
- \$2,236,000 Limit







# Down Payment Loan:

Applicants must:

- be beginning veteran or SDA farmers/ranchers
- Provide a 5% down payment

Loan funds may be used only to partially finance the purchase of a family farm.

FSA can loan up to 45% of the least of the purchase price, appraised value or \$667,000 (max loan is \$300,150).

The balance of the purchase price not covered by the down payment loan and the loan applicant's down payment may be financed by a private lender, a cooperative, or the seller.



# Find the Farm Loan that is right for you with the Loan Assistance Tool!

- [Loan Assistance Tool / Portal \(usda.gov\)](https://www.usda.gov)
  - Check eligibility for FSA farm loans
  - Discover FSA loan products
  - Learn how to apply for a Direct Farm Loan online





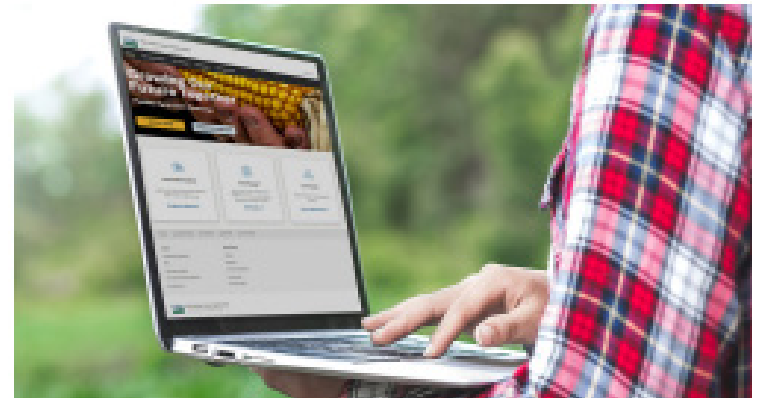
# Preparing your FSA Direct Loan Application

- All FSA direct loan applications require the same basic forms
- Loan official will advise if additional information is required
- Apply in person or on-line
- Connect with your local USDA Service Center
  - [Questions? Find Your Local Service Center | Farmers.gov](#)



## Apply for a Direct Loan online

- Access a secure online portal to complete loan application
- Upload supporting documents
- Pay the required credit report fee
- Submit the application for processing



Note: You will need a USDA individual customer record linked to a USDA Level 2 eAuthentication account. Visit [farmers.gov/account](https://farmers.gov/account) or contact your local USDA Service Center for assistance.

## USDA's Online Farm Loan Tools: [farmers.gov/loans](https://farmers.gov/loans)

- **Find a Farm Loan**
  - [Loan Assistance Tool / Portal \(usda.gov\)](#)
  
- **Apply for a Direct Loan**
  - [Online Loan Application Tool](#)
  
- **Make a Direct Farm Loan Payment**
  - [Pay My Loan Self-Service Tool](#)



## If you are new to farming, ranching, and USDA:

- Connect with your State BFR Coordinator
  - [Beginning Farmer and Rancher Coordinators | Farmers.gov](#)
- Check out the step-by-step guide to starting a farming or ranching operation
  - [Beginning Farmers and Ranchers | Farmers.gov](#)



