

# OPERATING LOAN CHECKLIST

## General Application Requirements

- Please use the checklist below to gather the information you will need to submit a complete application.
- The application must be initialed, signed, and dated by the applicant. An unsigned application will be considered an incomplete application.
- If applicable, you are encouraged to apply for an FSA Loan, in the same manner, you applied for any Farm Program Benefits.

If you need assistance completing any part of this form or the process, please reach out to your local FSA Office.



### **Download the FSA-2001 “Request for Direct Loan Assistance” form**

**Note:** Any additional information deemed necessary to efficiently evaluate the application may be required.



### ***Individual Applicant:***

- A married person should apply as an individual when they are the operator of the farm, and the spouse has minimal involvement in the farm operation, particularly the day-to-day management and operations.
- Spouses are not required to sign except when required by your State Law.



### ***Entity Information Requirements:***

- Current financial statement from each member of the entity and the entity itself
- Copy of the Charter or Entity Agreement, and Articles of Incorporation and Bylaws
- Secretary Of State – Certificate or evidence of current registration (In Good Standing)
- Entity Resolution Document - (If entity documents require more than 1 member to apply, then all identified members, including members in embedded entities, must sign FSA- 2001.
- AD-3030: “Representation Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants” (Not applicable for LLC’s or Trusts)
- Note: FSA may require written evidence to support the applicant’s inability to obtain credit elsewhere.



### ***Married Couples:***

FSA may request any of the items listed below from married couples applying as a joint operation to verify eligibility and security requirements:

- **CCC-502 or CCC-902** whichever is applicable

	<ul style="list-style-type: none"> <li>• Jointly filed tax return</li> <li>• Marriage license</li> <li>• Prenuptial Agreement</li> <li>• Any similar documentation</li> </ul> <p><b>Note:</b> Ordinarily individual financial statements are not required from a married couple applying as a joint operation. However, in states without community property laws (and in some other states), individual financial statements may be necessary to obtain a complete picture of the financial situation.</p>
<input type="checkbox"/>	<p><b>Written Description of the Applicant's Farm Training &amp; Experience</b></p> <ul style="list-style-type: none"> <li>• This includes all applicants and each entity member who will be involved in managing or operating the farm.</li> <li>• This is a requirement for new applicants and existing customers when significant changes to an existing customer's operation have occurred.</li> </ul>
<input type="checkbox"/>	<p><b>Three Year Farm Financial Records</b></p> <ul style="list-style-type: none"> <li>• Last 3 years of farm financial records, including tax returns, unless the applicant has been farming less than 3- years.</li> <li>• Existing borrowers do not need to resubmit historical financial information already on file.</li> <li>• Additional financial records, such as balance sheets, may be requested if necessary for the last 3 years.</li> </ul>
<input type="checkbox"/>	<p><b>Three-Year Production Records</b></p> <p>Last 3 years of farm production records unless the applicant has been farming less than 3 years.</p> <ul style="list-style-type: none"> <li>• Existing borrowers do not need to resubmit historical financial information already on file.</li> <li>• An additional 2 years of farm production records may be requested due to extenuating circumstances, such as natural disasters or adverse economic conditions.</li> </ul>
<input type="checkbox"/>	<p><b>Financial and Production Records</b> for the most recent production cycle if available and practicable to project the cash flow of the operating cycle.</p>
<input type="checkbox"/>	<p><b>Current Financial Statement and the Operations Farm Operating Plan (Within 90 Days)</b></p> <p>Include a projected cash flow budget reflecting the production, income, expenses, and loan repayment plan.</p>

<input type="checkbox"/>	<p><b>Legal Description of Property</b></p> <p>A legal description of the farm property owned or to be acquired and, if applicable, any leases, contracts, options, and other agreements with regard to the property.</p> <ul style="list-style-type: none"> <li>• The application will not be considered complete without a full legal description for the property to be purchased or used as primary security for a loan.</li> <li>• Partial or abbreviated descriptions are not typically adequate for these circumstances</li> </ul>
<input type="checkbox"/>	<p><b>Credit Report Fee</b></p> <ul style="list-style-type: none"> <li>• This fee is non-refundable and payable to Farm Service Agency (FSA).</li> <li>• Please check with your local FSA office for the amount needed.</li> </ul>
<input type="checkbox"/>	<p><b>Verification of Non-Farm Income</b></p> <p>If you are using non-farm income to exhibit repayment ability, submit any of the following:</p> <ul style="list-style-type: none"> <li>• Two (2) most recent earning statements</li> <li>• Tax forms 1099 or W-2</li> <li>• Bank statements verifying income</li> <li>• If self-employed, income may be verified by 3 years of tax returns</li> </ul>
<p><b>Environmental and Property Information</b></p>	
<input type="checkbox"/>	<p><b>AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.</b></p> <p><b>Note:</b> An applicant must have an AD-1026 on file for all real estate owned and rented. This is not required for a subsequent loan if no changes to the farming operation have occurred.</p>
<input type="checkbox"/>	<p><b>Verification of All Debts</b></p> <ul style="list-style-type: none"> <li>• Applicants must verify the status of all debts over \$5,000.</li> <li>• The verification must confirm the balance of the debt, the applicant's payment history on the debt including any delinquency, and the payment schedule including the amount and date of the next scheduled installment.</li> </ul>
<input type="checkbox"/>	<p><b>CCC-9021 Farm Operating Plan for an Individual</b></p> <p><b>Note:</b> If your farm is not established in FSA Records, you must contact the local FSA Office.</p>
<input type="checkbox"/>	<p><b>CCC-902E Farm Operating Plan for an Entity</b></p> <p><b>Note:</b> if your farm is not established in FSA Records, you will need to contact the local FSA Office.</p>