

FARM OWNERSHIP LOAN APPLICATION

CHECKLIST

Use the checklist below to gather the information required for a complete application for a Farm Ownership Loan.

1. FARM OWNERSHIP LOAN ELIGIBILITY

([Hyperlink to eligibility Requirements](#))

PLEASE CONSIDER BEFORE APPLYING.

CREDIT ELSEWHERE:

- ☐ Can you certify that you will not be able to obtain financing from a commercial lender?

***Note: FSA may require written evidence to support the applicant's inability to obtain credit elsewhere. ***

FARM BUSINESS MANAGEMENT EXPERIENCE?

- ☐ Have you participated in the business operations of a farm for at least three (3) years out of the past ten (10) years, or do you have acceptable eligibility substitutions for two (2) years out of the three (3) years required?

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

2. ENTITY INFORMATION

NOTE: FOR ENTITY APPLICANTS, INCLUDING ALL EMBEDDED ENTITIES, THE INFORMATION LISTED BELOW IS REQUIRED FOR (1) THE ENTITY; (2) THE EMBEDDED ENTITY; AND (3) EACH INDIVIDUAL ENTITY MEMBER

- ☐ Copies of any organizational and Operational Documents (Charter, Entity Agreement, Articles of Incorporation, Bylaws, Charter, etc.)
- ☐ Evidence of Good Standing/ Current Registration
- ☐ Entity Resolution Document – If entity documents require more than one member to apply, then all identified members, including members in embedded entities must sign the application.
- ☐ Current (within 90 days) Financial Statements for each member of the Entity including the Entity itself
- ☐ **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. ***

3. 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:

- Applicable CCC-502/CCC-902
- Jointly Filed Tax Returns
- Marriage License
- Prenuptial Agreement
- Similar Documentation

***NOTE: 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. ***

4. FARM OWNERSHIP LOAN APPLICATION FORMS AND REQUIRED DOCUMENTS

- ☐ Request for Direct Loan Assistance. The application must be initialed, signed, and dated by the applicant(s). **An unsigned application will be considered an incomplete application.**

***NOTE: If you are currently farming, are you applying consistently with how you obtain your farm program benefits? ***

- ☐ Offer to Purchase, Purchase and Sales Agreement, or Option to Purchase for the specific property that will be purchased (personal property should NOT be included)
- ☐ Land Survey (If applicable)
- ☐ Complete Legal Description of the specific property that will be purchased
- ☐ Land Rental/Leasing Agreements, Forward Contracting Agreement, Other Leases, and/or Options
- ☐ Submit Documentation of participation and responsibilities in the business operations of a farm
 - Detailed Description of your Farm Training and Experience
 - If using a Mentor as a part of the eligibility requirement, submit a signed letter from your mentor that describes the following:
 - the mentor's qualifications, training, and on-the-job experience as it relates to agriculture, including the number of years of related experience
 - specific skills and knowledge the mentor will provide
 - intended interactions with the applicant, including frequency of meetings, discussions, and oversight.

Note: This Includes all applicants and each entity member, if applicable, who will be involved in managing day to day operations of the farm. Required for NEW applicants only

- ☐ Submit Three Year Financial History - Last 3 years of farm financial records, including tax returns unless you have been farming less than 3 years.

- ☐ Submit Three Year Production History – Last 3 years of production records unless you have been farming less than 3 years.
- ☐ Copies of Last Three Complete Tax Returns
- ☐ Verification of Non-Farm Income. You may submit any of the following documents:
 - Last Two Paystubs,
 - Statement of Benefits from Social Security,
 - Statement of Benefits from Pension,
 - Retirement Statement (if applicable)
 - Most Recent Bank Statements showing Income,
 - Other Business Income (3 most Recent Tax Returns, 1099, W2)
- ☐ Authorization to Release Information
- ☐ Creditor List - FSA must verify the status of all debts over \$5,000. Examples of Acceptable documentation includes a list of creditors, the most recent billing statement with total balance and payment amount(s) etc.
- ☐ A list of the property owned and leased by the borrower (what is the FLP guidance for 2006?)
- ☐ Complete Current (within 90 days) Financial Statement or Balance Sheet – this includes all personal and business assets and liabilities
- ☐ Complete Farm Business Plan with crop/livestock information specific to your farming operation and projected income and expenses (this may include your production, income, expenses, and loan repayment plan.)
- ☐ Non-Refundable Credit Report Fee, payable to Farm Service Agency (FSA). Please contact your county office for the amount needed.
- ☐ Cosigner Application and Agreement (Required if applicant needs assistance meeting repayment ability)
- ☐ Current AD-1026 for each operator (this is not required for a subsequent loan if no changes to the farming operation have occurred)

5. DOCUMENTS NEEDED FOR CONTRACT GROWERS

- ☐ Production Contract from the Integrator, covering the facilities to be financed, with the following:
 - Minimum period of three years
 - provide for termination based on objective “for cause” criteria only
 - require that the grower be notified of specific reasons for cancellation
 - provide assurance of the grower’s opportunity to generate income to ensure loan repayment
- ☐ Copies of Approved Permits used for the farming operation

6. *THESE ITEMS ARE NOT NECESSARY FOR A COMPLETE APPLICATION BUT WILL BE REQUIRED BEFORE LOAN APPROVAL.*

DOCUMENTS NEEDED FOR CAPITAL IMPROVEMENTS

- ☐ **Form FSA-2150:** Construction and Development Plan detailing the following information:
 - Planned development
 - Proposed schedule
 - Estimated completion date
 - Cost estimates for materials and work (or labor) to be performed
 - An estimate of the total cost of all development
- ☐ Proof of sufficient funds to pay for the total cash cost of all planned development at or before loan closing (can be loan proceeds, any cash on hand that will be used for construction, proceeds from cost sharing programs, or proceeds from the sale of property).
- ☐ Certified Drawings, Specifications, or Contract Documents that identify the development standards being used (include landscaping, repairs, site development, etc.).
- ☐ Written certification of the final drawings and specifications conforming with the applicable development standard, obtained from individuals or organizations trained and experienced in the compliance, interpretation, or enforcement of the applicable development standards such as:
 - licensed architects,
 - professional engineers,
 - persons certified by a relevant national model code organization,
 - authorized local building officials, and
 - national code organizations.
- ☐ List of individuals that will perform required technical services (as applicable)
- ☐ All Necessary State and Local construction approvals and permits (that can be obtained prior to construction)
- ☐ Any Warranty or Lien Waivers (as applicable)

ENVIRONMENTAL REQUIREMENTS

(Hyperlink for Environmental requirements)

- ☐ Approved Comprehensive Nutrient Management Plan/Waste Management Plan (if applicable)
- ☐ Archeological Survey and/or Biological Assessment (as needed)
- ☐ Copies of Approved Permits used for the farming operation, such as your State Department of Environmental Management (as needed)

*****NOTE: FSA may require additional information to conduct environmental review. Applicant may not start project actions before the conclusion of the environmental review.*****

