

# FARM OWNERSHIP 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.

<input type="checkbox"/>	<p><b>Download the FSA-2001 “Request for Direct Loan Assistance”.</b></p> <p><b>Note:</b> Applicants must have participated in the business operations of a farm for at least 3 years out of the 10 years before the date the application is submitted.</p> <p>Any additional information deemed necessary to efficiently evaluate the application may be required.</p>
<input type="checkbox"/>	<p><b>CREDIT ELSEWHERE?</b></p> <p>Can you certify that you will not be able to obtain financing from a commercial lender?</p> <p>Note: FSA may require written evidence to support the applicant’s inability to obtain credit elsewhere.</p>
<input type="checkbox"/>	<p><b>Individual Applicant:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Spouses are not required to sign except when required by your State Law.</li> </ul>
<input type="checkbox"/>	<p><b>Entity Information:</b></p> <ul style="list-style-type: none"> <li>• Current financial statement from <b>each member</b> of the entity and <b>the entity itself</b></li> <li>• Copy of the Charter or Entity Agreement, and Articles of Incorporation and Bylaws</li> <li>• Secretary Of State – Certificate or evidence of current registration (In Good Standing)</li> <li>• 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.</li> <li>• <b>AD-3030: “Representation Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants”</b> (Not applicable for LLC’s or Trusts)</li> </ul> <p><b>Note:</b> FSA may require written evidence to support the applicant’s inability to obtain credit elsewhere.</p>

<input type="checkbox"/>	<p><b>Married Couples:</b></p> <p>FSA may request any of the items listed below from married couples applying as a joint operation to verify eligibility and security requirements:</p> <ul style="list-style-type: none"> <li>• CCC-502 or CCC-902 whichever is applicable</li> <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 applicants 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> <ul style="list-style-type: none"> <li>• Last 3 years of farm production records, 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>• 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>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 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>
<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>• An application will not typically 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 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>Offer to Purchase</b></p> <p>Purchase and Sales Agreement, or Option to Purchase for the specific property that will be purchased (personal property should NOT be included)</p>
<input type="checkbox"/>	<p><b>Land Survey (If applicable)</b></p>
<input type="checkbox"/>	<p><b>Additional Information Deemed Necessary may include the following:</b></p> <ul style="list-style-type: none"> <li>• Divorce or Separation Decree</li> <li>• Child Support or Alimony Payments</li> <li>• 2 additional years of farm production or financial records (in extenuating circumstances)</li> <li>• Payment to complete required State and County Lien Searches (If the State or Counties charge a fee)</li> </ul>

## DOCUMENTS NEEDED FOR CONTRACT GROWERS

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|--------------------------|--|
| <input type="checkbox"/> | <p><b>Production Contract from the Integrator</b>, covering the facilities to be financed, with the following:</p> <ul style="list-style-type: none"><li>• Minimum period of three years</li><li>• Provide for termination based on objective “for cause” criteria only</li><li>• Require that the grower be notified of specific reasons for cancellation</li><li>• Provide assurance of the grower’s opportunity to generate income to ensure loan repayment</li></ul>   |
| <input type="checkbox"/> | <p><b>Environmental Requirements</b></p> <ul style="list-style-type: none"><li>• Approved Comprehensive Nutrient Management Plan/Waste Management Plan (if applicable)</li><li>• Archeological Survey and/or Biological Assessment (as needed)</li><li>• Copies of Approved Permits used for the farming operation, such as your State Department of Environmental Management (as needed)</li></ul> <p><b>Note:</b> FSA may require additional information to conduct environmental review. Applicant may not start project actions before the conclusion of the environmental review.</p> |

## DOCUMENTS NEEDED FOR CAPITAL IMPROVEMENTS

These items are not necessary for a complete application but will be required before loan approval for any construction requests.

<input type="checkbox"/>	<p><b>Form FSA-2150:</b></p> <p>Construction and Development Plan detailing the following information:</p> <ul style="list-style-type: none"><li>• Planned development</li><li>• Proposed schedule</li><li>• Estimated completion date</li><li>• Cost estimates for materials and work (or labor) to be performed</li><li>• An estimate of the total cost of all development</li></ul>
<input type="checkbox"/>	<p><b>Proof of sufficient funds</b> 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).</p>
<input type="checkbox"/>	<p><b>Certified Drawings, Specifications, or Contract Documents</b> that identify the development standards being used (include landscaping, repairs, site development, etc.).</p> <p>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:</p> <ul style="list-style-type: none"><li>• licensed architects,</li><li>• professional engineers,</li><li>• persons certified by a relevant national model code organization,</li><li>• authorized local building officials, and</li><li>• national code organizations.</li></ul>