

GET THE SPECS

FARM & RANCH UNDERWRITING MATRIX

FARMER  AC

Loan Program	Fast Track	Full Underwrite	Full Underwrite	AgEquity RLOC	AgAssist
Eligible Pricing Type	Choice	Standard	Choice	Standard	Standard
Total Debt Coverage (See Seller/Service Guide, Section 202.3)	≥ 1.00 for 2 year average	≥ 1.25	≥ 1.50	≥ 1.35; must meet TDC after 3% rate shock	≥ 1.10
Current Ratio	≥ 1.00	≥ 1.25	≥ 1.50	≥ 1.25	≥ 1.00
Debt to Asset	≤ 40%	≤ 50%	≤ 40%	≤ 50%	≤ 60%
Loan-to-Value	≤ 55%	< 70%*	≤ 60%	≤ 50%**	≤ 45% FAMC LTV ≤ 85% CLTV
Credit Score (FICO) (Individual borrowers/guarantors)	≥ 720	≥ 680			
D&B PAYDEX Score (required if no individual borrowers/guarantors)	N/A	≥ 70			
Loan Size	No minimum ≤ \$1.5 mil	No minimum ≤ 1000 acres: \$50.0 mil > 1000 acres: \$13.1 mil		Minimum: \$50,000 Maximum: \$13.1 mil	No minimum ≤ 1000 acres: \$50.0 mil > 1000 acres: \$13.1 mil
Cash-Out (See Seller/Service Guide, Section 202.5)	Unlimited	≤ 10%; unlimited cash out if amortization is 15 years or less and LTV is ≤ 60%.		Allowed if not for consumer purpose.	Unlimited
Recent Tax Returns	2 years	Minimum 3 years; 4 years alternate bearing.			
Extras	Collateral must consist of at least 5 acres or be used to produce annual agricultural receipts of at least \$5,000.				
	Permanent plantings are eligible.			Unlimited number of draws, minimum draw of \$2,500.	2nd mortgage must be guaranteed by federal or state agency.
	Loans with agricultural improvements whose contributory value exceeds 40% of the total value are not eligible.	*Loans with LTV > 60% and ≤ 70% must have TDC ≥ 1.50. No exceptions to Pro forma CR or D/A.		**Property may have improvements or permanent plantings, however the loan-to-value will be calculated using only the bare land value.	Guaranteed loan ≥ 25% of combined loan amounts.
	When the contributory value of the agricultural producing structures and site improvements, as reported in the appraisal, exceeds 60% of the total appraised value, the loan is to be treated as a specialized production agricultural facility. Dwellings, occupied by the applicant and considered to be the primary residence of the applicant, are not considered to be agricultural improvements for the purpose of determining the contributory value.				
Aggregate Maximum Exposure	\$50.0 mil				
Eligible Borrowers	U.S. Citizen or a lawfully admitted alien to the U.S. who maintains a permanent residence in the U.S. or a corporate entity or partnership whose members, stockholders or partners holding a majority interest in the corporate entity or partnership are citizens or lawfully admitted permanent resident aliens.				
	Trusts are eligible for Farmer Mac financing if there is a personal guarantee by an eligible co-borrower.				
Family Living Expense	\$15,000 for each adult (over 18), \$10,000 for each dependent listed on tax returns.				
Rate Shock	The following products will need to meet TDC requirement for desired program after 3% rate shock; AgEquity VRM, 1-month, 1-, and 3-year VRM products.				
Exceptions	Fast Track and Full Underwrite Choice programs have to meet all underwriting standards with no exceptions.				

Please refer to the **AgXpressSM Application Package** for an alternative underwriting program option.

Additional Options

Loan Program	Seasoned Loan	Cattle Feedlot	Timber
Eligible Pricing Type	Standard	Standard	Standard
Total Debt Coverage (See Seller/Service Guide, Section 202.3)	N/A	≥ 1.25	
Current Ratio	N/A	≥ 1.25	
Debt to Asset	N/A	≤ 50%	
Loan-to-Value	≤ 60%*	≤ \$5 mil: < 65% > \$5 mil: 60%	≤ \$5 mil: < 70% > \$5 mil: 60%
Credit Score (FICO) (Individual borrowers/guarantors)	N/A	≥ 680	
D&B PAYDEX Score (required if no individual borrowers/ guarantors)		≥ 70	
Loan Size	≤ 1000 acres: \$50.0 mil > 1000 acres: \$13.1 mil		
Cash-Out (See Seller/Service Guide, Section 202.5)	≤ 5%: restricted to closing fees		
Aggregate Maximum Exposure	\$50.0 mil		
Other	*LTV based on the original (or most recent) appraisal.	Farmer Mac requires that the Seller be the feedlot’s operating lender unless the feedlot is not borrowing operating money.	For loans with a LTV > 60% and ≤ 70%, TDC must be ≥ 1.50x with no exceptions to pro forma debt to asset ratio and pro forma current ratio standards.
		Maximum loan maturity is not to exceed 20 years when the improvement value is ≥ 60% of total value; 30 years when the improvement value is < 60% of total value.	
	A Collateral Assessment Report (CAR Form 1047) or a new appraisal is required. A new Environmental Disclosure (Form 1010A) is required.		Applicant should have a production contract(s) and multiple sales outlets for their products. Contract(s) should be standard to the industry and assignable to FAMC. Counterparty analysis is expected.
	Loan must be held by Seller/Originator for a minimum of 5 years prior to FAMC purchase. Loan has not been more than 30 days past due in the past 3 years. Loan has not had any material restructuring or modification within the past 5 years.	Three years of tax returns required.	
		For loans with a LTV > 60% and ≤ 65%, TDC must be ≥ 1.50x and no exceptions to pro forma debt to asset ratio and pro forma current ratio standards.	
	When the contributory value of the agricultural producing structures and site improvements, as reported in the appraisal, exceeds 60% of the total appraised value, the loan is to be treated as a specialized production and agribusiness facility.		
As exposures to borrowers increase in amount, Farmer Mac expects the quality of the loan and supporting financial information and analysis will reflect the greater risk.			

Additional Options

Loan Program	Poultry Facility	Swine Facility	Feedlot Dairy Facility	Agribusiness & Other Production Facilities
Eligible Pricing Type	Standard	Standard	Standard	Standard
Total Debt Coverage (See Seller/Service Guide, Section 202.3)	≥ 1.25		≥ 1.35	
Current Ratio	≥ 1.25			
Debt to Asset	≤ 65%	≤ 60%	≤ 50%	≤ 70% or LTD/NW ≤ 80%
Loan-to-Value	New Facilities ≤ 75% Existing Facilities ≤ 65%	New Facilities ≤ 75% Existing Facilities ≤ 70%	≤ \$5 mil: < 65% > \$5 mil: 60%	≤ 60%
Credit Score (FICO) (Individual borrowers/guarantors)	≥ 680			
D&B PAYDEX Score (required if no individual borrowers/ guarantors)	≥ 70			
Loan Size	≤ 1000 acres: \$50.0 mil > 1000 acres: \$13.1 mil			
Cash-Out (See Seller/Service Guide, Section 202.5)	≤ 5%: restricted to closing fees			
Aggregate Maximum Exposure	\$50.0 mil			
Other	Term/Amortization: 10 years existing, 15 years new		Term/Am: 10-15 years Should reflect remaining economic life.	For loans over \$5 mil, review quality financial statements preferred. Term: 10-15 years Am: 15 years Should reflect remaining economic life.
	Production Contract Required.			
	Borrower must have a production contract with a processor insuring occupancy or use of the facility as an integrator. Contract must be standard to industry with payments assigned to FAMC.		Evidence of permits for waste disposal and herd occupancy for stated capacity usually required.	Services of the business or facility are used toward the physical transformation or storage of farm-gate products.
	Contract finishing operations must have multiple integrators available.		Milk assignment usually required.	Secured by a first mortgage on a specialized agricultural processing facility, agricultural farm-gate product storage facility, or other property directly involved in production of a farm-gate product.
	Three years of tax returns required.			
	Operation must conform to all environmental rules and regulations. Manure easement may be needed.			
	Subordinate liens for new construction will be allowed at loan closing as long as the total lien position does not exceed 90% of the value of the security (CLTV). See Seller/ Service Guide – Section 205.4.			

As exposures to borrowers increase in amount, Farmer Mac expects the quality of the loan and supporting financial information and analysis will reflect the greater risk.