

**FARM SERVICE AGENCY LOAN PROGRAMS TO ASSIST FARMERS DURING AN EMERGENCY**

Farm Service Agency (FSA) offers a variety of loan programs to assist family-size farmers and ranchers who have difficulty obtaining credit from a bank, Farm Credit System institution, or other lender. Loan programs are generally categorized as direct loans or guaranteed loans. One distinguishing variable between these programs is the source of funding. Direct loan customers borrow directly from the Federal government. Repayment terms, interest rates, and loan conditions are set by the government. Guaranteed loan customer's source of funding is through another lender, typically a commercial bank or the Farm Credit System, with FSA providing backing in the form of a guarantee. Rates and repayment terms for guaranteed loans are negotiated between the lender and the borrower.

Emergency Loans

In considering recovery from natural disasters, Emergency Loans are the traditional credit tool offered by FSA. Through this program, farm operations borrow money directly from the government to assist in the recovery from production and physical losses due to drought, flooding, and other natural disasters.

Emergency loan funds may be used for a variety of purposes:

- Restore or replace essential property
- Pay all or part of production costs associated with the disaster year
- Pay essential family living expenses
- Reorganize the farming operation
- Refinance certain debts

Primary benefits:

- Interest rate - 3.75%
- Loan amount – maximum of \$500,000
- Repayment terms – generally 7 to 20 years

EMERGENCY LOAN SUMMARY	MAXIMUM LOAN AMOUNT	RATES AND TERMS	USE OF PROCEEDS
	100% of actual production or physical loss, with a maximum of \$500,000	-1 to 7 years depending on use of funds and collateral -up to 40 years for physical losses to real estate -Interest rate: 3.75%	-Restore or replace essential property -Pay essential farm operating or family living expenses -Refinance debt -Reorganize the farming operation



United States  
Department of  
Agriculture

## *Farm Service Agency*

### Operating and Farm Ownership Loans

Operating Loans and some Farm Ownership Loans, both direct and guaranteed, are also used to assist in natural disaster recovery. These loans can be used as a supplement to Emergency Loans, or on a stand alone basis.

Operating Loans may be used to purchase items such as livestock, farm equipment, feed, crop inputs, and other operating expenses. Operating Loans can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and to refinance debts under certain conditions.

In addition to purchasing real estate, Farm Ownership Loans can be used to construct or repair buildings and make improvements to real estate. Guaranteed Farm Ownership Loans can also be used to refinance any farm related debt.

Direct Operating and Farm Ownership Loans are limited to \$300,000 for each loan type, with a combined total not in excess of \$600,000. Any Guaranteed Loan, or combination of Guaranteed Loan types, is limited to \$1,094,000. There are also limits if the programs are combined. In general, total credit involving combined programs and loan types is limited to \$1,394,000. This limit does not include Emergency Loan balances.

### Disaster Designation

Iowa has had several disaster declarations in 2008. Every county is eligible for Emergency Loans. The deadline for applying for disaster assistance is 8 months from the date the disaster was declared. The attached map details the application deadline for each county in Iowa.

### Contact Information

Farm operators, lenders, and other interested parties can make an application or get additional information by contacting their local Farm Service Agency office. Details about specific loan programs are also available by browsing the Farm Loan Program subject area at [www.fsa.usda.gov](http://www.fsa.usda.gov).

**FARM LOAN INFORMATION**

<b>LOAN PROGRAM</b>	<b>MAXIMUM LOAN AMOUNT</b>	<b>RATES AND TERMS</b>	<b>USE OF PROCEEDS</b>
FARM OWNERSHIP	\$300,000	-Repayment terms up to 40 years -Interest rate: 4.875% (November 2008 rate) -Up to 100% financing available	-Purchase a farm -Construct buildings and other permanent improvements -Environmental improvements
FARM OWNERSHIP PARTICIPATION	\$300,000 *FSA's portion cannot exceed 50% of the financing	-Repayment terms up to 40 years -Interest rate: 5% -Up to 100% financing available	-Purchase a farm -Construct of buildings and other permanent improvements -Environmental improvements
OPERATING (ANNUAL AND TERM)	\$300,000	- Repayment terms 1 to 7 years -Interest rate: 3.375% (November 2008 rate)	-Purchase livestock, poultry, equipment, feed, crop inputs -Environmental improvements -Refinance debt -Limited real estate improvements
GUARANTEED FARM OWNERSHIP	\$1,094,000	-Repayment terms up to 40 years -Interest rate is negotiated with lender. Rate is not to exceed those charged the lender's average farm customers.	-Purchase a farm -Construct buildings and other permanent improvements -Environmental improvements -Refinance debt
GUARANTEED OPERATING	\$1,094,000	- Repayment terms 1 to 7 years -Interest rate is negotiated with lender. Rate is not to exceed those charged the lender's average farm customers. -Interest Assistance is available for qualified applicants	-Purchase livestock, poultry, equipment, feed, crop inputs -Environmental improvements -Refinance debt -Limited real estate improvements

