



United States Department of Agriculture

Loans Available

Types of Loans:

- ***Farm Ownership Loans – Direct & Guaranteed***
- ***Farm Operating Loans – Direct & Guaranteed***
- ***Emergency Loans***
- ***Micro Loans***
- ***Youth Loans***

Funding Designations

- ***Beginning Farmer***
- ***Targeted Underserved***





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General Eligibility Requirements

Direct and guaranteed applicants must:

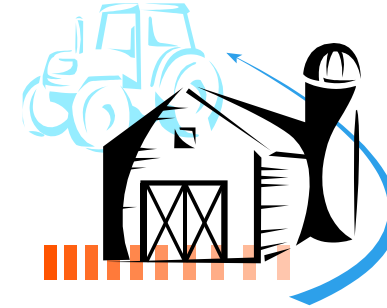
- **Be a citizen or a legal resident alien**
- **Possess legal capacity to incur the loan obligation**
- **Have acceptable credit history**
- **Be the owner-operator or tenant-operator of a family farm**
- **Be unable to obtain sufficient credit elsewhere**
- **Not be delinquent on federal debt**
- **Not have outstanding unpaid judgments**
- **Not have caused the agency a loss (prior debt forgiveness)**
- **Not have been convicted of planting, cultivating, growing, producing, harvesting, or storing a controlled substance within the last five years**





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Direct Loans



Direct Farm Ownership

- **\$300,000** loan limit
- Term: up to **40 years**.
- **Uses: purchase land, construct buildings, soil and water conservation.**

Direct Farm Operating Loans

- **\$300,000** loan limit
- Term: from **1 to 7 years**.
- **Uses: purchase livestock, poultry, equipment, feed, seed, farm chemicals, and supplies, soil and water conservation.**



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Microloans

In 2013, FSA developed the Microloan program to better serve the unique financial operating needs of beginning, niche and the smallest of family operations by modifying its Operating Loan application, eligibility and security requirements. In 2016, this was expanded to also include the Ownership Loan application. This program provides a more flexible access to credit.





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Microloans

Microloans are operating loans, either annual or term, that do not exceed \$50,000.

The application process is simplified, with paperwork and verification requirements that are more proportional to smaller loans and operations.

Alternative managerial requirements for Microloans may be acceptable.

- **Micro Operating Loan Uses: Any eligible Operating Loan use.**
- **Micro Ownership Loan Uses: Any eligible Ownership Loan use.**





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Funding Designations Targeted Underserved



A targeted underserved farmer, rancher, or agricultural producer is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

Reserves direct and guaranteed loan funds for targeted underserved persons. Non-reserved funds also can be used by targeted underserved persons;



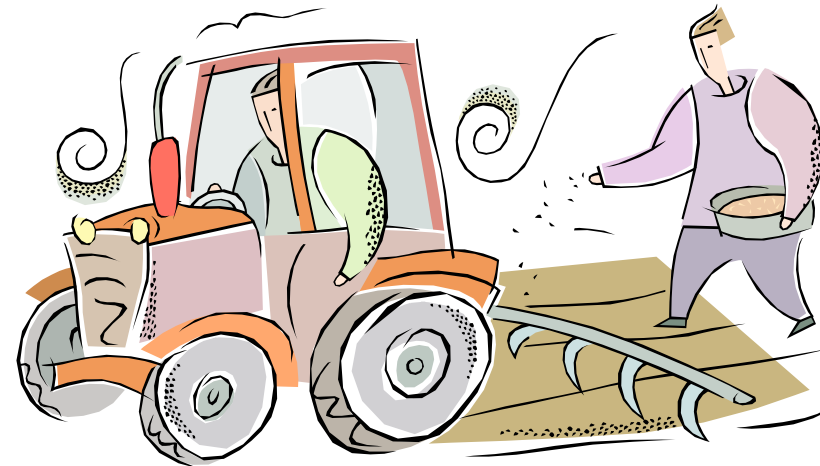
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Funding Designations

Beginning Farmer

A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO loan purposes, does not own a farm greater than 30 percent of the average size farm in the county.

Reserves direct and guaranteed loan funds for beginning farmers.



Environmental Information

- **What level of evaluation will the project require ?**
 - Categorical Exclusion
 - Refinance or Purchase Existing
 - Retrofits and equipment upgrades
 - No additional capacity or;
 - Added Capacity below CATEX levels
 - Existing Farm/Currently in compliance

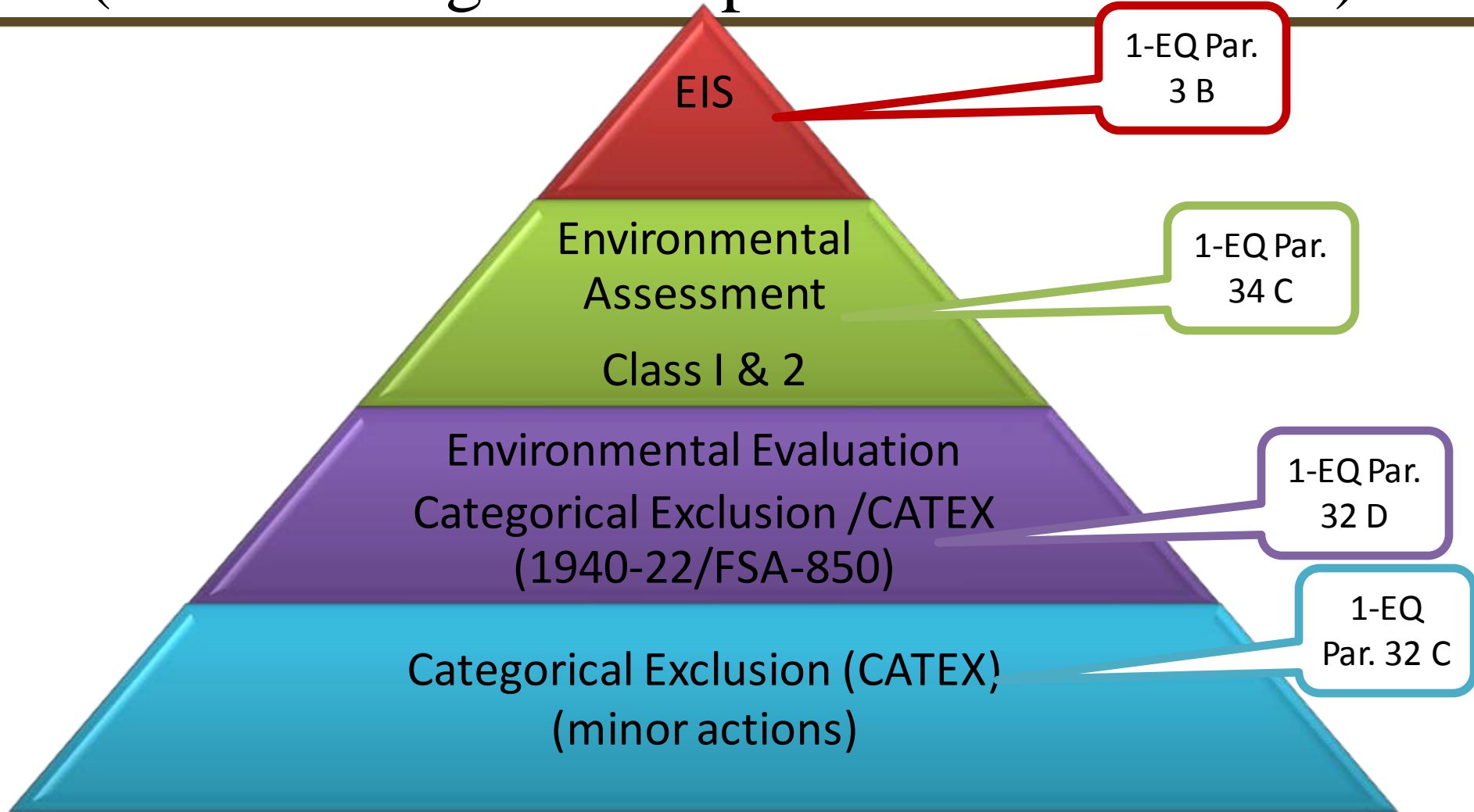
Environmental Information

- **What level of evaluation will the project require ?**
 - Class I/Class II Environmental Assessment
 - Additional birds, buildings
 - Adjacent to Wetland
 - Located in or near a Flood Plain
 - Increased capacity determines I or II
 - Other factors (location/protected resources) could require Class II



NEPA

(Determining the Proper Level of Review)



Environmental Information

Responsibilities

- **Applicant/Borrower**
 - Pursue Required Permits and plans & provide to FSA
 - Publish Public Notices when required
- **Lender**
 - Pre screen
 - Site visit and lender due diligence
 - Prepare borrower for early consultation
 - Advise FSA of need for consultation



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FSA Farm Loans

Southern Maryland Farm Loan Team

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