

# USDA FSA Guaranteed *Express*

July 2017  
Summer Issue

## Who is the Loan Applicant?

While lenders ultimately decide who will be the applicants for guaranteed loans, we have some suggestions to help in processing these applications. FSA's authorizing statutes restrict Farm Loan Program loans to operators of not larger than a family size farm; therefore, applications for loan guarantees should be submitted in the name of the actual operator of the farm, whether an individual or entity.

When deciding the appropriate applicant, lenders should consider how the operation is presented in other business dealings, how income tax returns are filed, and how bills and revenue proceeds are received. Most importantly, the applicant/operator applying for the FSA guaranteed loan must be consistent with any representations made for FSA Farm Program benefits.

### Here are a few tips to keep in mind:

If two or more individuals are applying together, they will be considered an entity applicant. This includes corporations, LLCs, partnerships, or husbands and wives applying jointly, for example:

- ◆ Frank and Ann are married, operate the farm together, and wish to apply for a guaranteed loan together. No formal entity has been formed. They should complete the application as a joint operation.
- ◆ Sam and Ruth are married, but Ruth operates the farm individually. Sam is not involved in the farm operation. In this case, Ruth would most likely apply alone, as an individual.

In the case of an entity operator, only the entity should be listed as the applicant on FSA's application form. Individual owners of the operating entity will still provide their personal information on the application form, sign the application form, and sign the promissory note as individuals, for example:

- ◆ First Farm, LLC receives crop and livestock revenue and pays all farm expenses from their bank account. All farm real estate is owned by Real Property, LLC. Since First Farm, LLC is the operator, it should be the applicant.

Lenders should contact their local FSA office, if they have any questions.



## Welcome

Greetings everyone and welcome to another edition of FSA Guaranteed Express. I am happy to tell you that Congress passed the Consolidated Appropriations Act of 2017, providing FSA additional funding for the Farm Loan Program through the end of September. We do not anticipate any funding shortfalls for the rest of the year. This is great news, as it will allow FSA to continue to obligate your loan requests timely and allow you to better serve your customers.

Please contact your local FSA office if you have further questions on funding.

**James Radintz**  
**Deputy Administrator for**  
**Farm Loan Programs**

## New Hires

FSA recently hired 2 new Senior Loan Officers with the Guaranteed Loan Making Branch in the National Office

Misty Crigger - Virginia

Heather Lutman - Maryland

## Welcome New PLP Lenders

United Community Bank - IL

USNY Bank - NY

Heartland Bank - OH

First State Bank Southwest - MN

Dakota Community Bank & Trust- ND



## We want to hear from you!

Do you have a success story to share or have suggestions for future training topics? FSA would like to hear from you. Send your information to:

[FSAguaranteedloans@wdc.usda.gov](mailto:FSAguaranteedloans@wdc.usda.gov)

## Servicing Reminders

**Annual Farm Visits:** Remember to document your annual farm visits whether the purpose is for a security check, monitoring crop conditions, or other general purposes.

**Lines of Credit:** Please ensure you are documenting what the borrower's advance requests are being utilized for. This will need to be submitted to FSA in a loss situation.

**Protective vs. Emergency Advances:** a protective advance is to be utilized only when an account is in liquidation or when liquidation is forthcoming and the advance will protect and/or preserve collateral from loss or deterioration. An emergency advance may only be used in the case of G-LOC loans, may be used for operating purposes only, and is authorized only when the loss of crops and/or livestock is imminent unless the advance is made.



## Funding Updates

Demand for FSA guaranteed loans continues at near record levels. As we enter the last quarter of the Fiscal Year 2017 (July –September 2017) many of our Nation's farmers will be looking for affordable credit to help with harvesting and preparations for the 2018 season.

Funds available as of **July 25, 2017:**

Guaranteed Operating	\$715 million	Total Loans to date: 4,476
Guaranteed Farm Ownership	\$851 million	Total Loans to Date: 3,910
Guaranteed Conservation	\$150 million	Total Loans to Date: 0

Current Funding information may be obtained by visiting [FSA-Funding](#)

## Upcoming Lender Webinars

Be sure to check out the upcoming **Guaranteed Lender Webinar on Common Topics** to be scheduled over the first 2 weeks of August. The webinar will give more details on "Who should be the applicant for guaranteed applications", and various servicing topics. You will also be able to ask questions directly to the National Office Staff. Watch for the Notice coming out soon with more details.

Did you miss any past FSA Webinars? Join the *USDA Connect Guaranteed Lender Community* and you can download your own copy of the presentation.

## USDA Connect Guaranteed Lender Community

Stay up-to-date on policy changes, webinars, special events, access to training presentations and much more.

To be part of FSA's USDA Connect Guaranteed Lender Community, please email us at: [FSAguaranteedloans@wdc.usda.gov](mailto:FSAguaranteedloans@wdc.usda.gov) Include your name, email contact information, and lender institution name.