

Rural Finance Authority  
Minnesota Department of Agriculture  
625 Robert Street North  
St. Paul, Minnesota 55155-2538  
651-201-6004

<i>FOR RFA USE ONLY:</i>	
Application	_____
No.:	_____
Date	_____
Received:	_____

## APPLICATION FOR LOAN PARTICIPATION

BEGINNING FARMER LOAN PARTICIPATION PROGRAM  
SELLER ASSISTED LOAN PARTICIPATION PROGRAM  
RESTRUCTURE II LOAN PARTICIPATION PROGRAM

RFA loan participation is requested under the following program (check one):

- BEGINNING FARMER PROGRAM**    A 45% participation program.
- SELLER ASSISTED PROGRAM**    A 45% participation program similar to the Beginning Farmer Program, however, partial seller financing is required.
- RESTRUCTURE II PROGRAM**    A 45% participation program where the applicant must receive income mainly from farming.

**Applicants requesting RFA participation must complete Part 4 of this application. The lender must complete Parts 1-2-3-5 and forward this original application and all required supporting documents noted on Page 3, Part 5.**

**PART 1: OFFER:** Submission of this application constitutes an offer to sell a participation interest in the lender's real estate loan described in the application.

Lender Name: \_\_\_\_\_ MPA #: \_\_\_\_\_

Lender Address: \_\_\_\_\_ P.O. Box: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_ Fax: \_\_\_\_\_

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651/201-6000. TTY users can call the Minnesota Relay Service at 711 or 1-800-627-3529. The MDA is an equal opportunity employer and provider.

**PART 2: TERMS OF PURCHASE AND FINANCING**

Purchase Price (if applicable)		\$ _____
Less Down Payment (if applicable)	-	\$ _____
Seller/FSA Loan Commitment (if applicable)	-	\$ _____
Total Financing Requested		\$ _____
Closing Costs (if financed)	+	\$ _____
Total Loan Requested for Participation		\$ _____
RFA Participation Amount ( _____ %)		\$ _____
Loan Balance Retained by Lender **		\$ _____
** (including other financed costs i.e. stock \$ _____)		

**PART 3: APPLICANT(S)**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Name: \_\_\_\_\_ County: \_\_\_\_\_

Address, City, State, Zip: \_\_\_\_\_

**PART 4: APPLICANT ELIGIBILITY CRITERIA AND CERTIFICATION**

Check either **T** for true or **F** for false regarding each of the following. When two or more individuals apply jointly, the term "I" shall mean "we", but only one person need fulfill criteria A-2, 4 and 5.

**A: GENERAL ELIGIBILITY CRITERIA – ALL APPLICANTS**

- T or F I am a resident of the State of Minnesota.
- T or F I agree to be the principal operator of the farm being financed.
- T or F I have a financial need and the ability to repay the loan.
- T or F I have sufficient education, training, or experience to succeed in the type of farming I am undertaking.
- T or F I will make farming my principal occupation (off-farm income is acceptable).
- T or F I agree to visit the local soil and water conservation office and inquire about any special conservation needs for the farm being financed.
- T or F I have never received an RFA participation loan before. If false, enter RFA participation loan #: \_\_\_\_\_.

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**B: BEGINNING FARMER / SELLER ASSISTED CRITERIA**

1.  T or  F My total net worth, including the assets and liabilities of my spouse and dependents, does not exceed program maximum.
2.  T or  F I agree to enroll and continue in an approved farm business management program for at least the first 3 years of the loan if a program is available within 45 miles of my residence.

**C: RESTRUCTURE II**

1.  T or  F My total net worth, including the assets and liabilities of my spouse and dependents, does not exceed program maximum.
2.  T or  F I currently own and operate a farm in Minnesota.
3.  T or  F I have received at least 50% of my average gross income from farming over the last three years.

I HEREBY CERTIFY that I have read and circled the eligibility criteria above, that I am eligible for the program indicated, and have submitted my \$50 non-refundable application fee.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Spouse)

\_\_\_\_\_  
(Date)

**PART 5: LENDER CERTIFICATION**

I HEREBY CERTIFY that I have reviewed the above criteria with the applicant and believe that the applicant is in compliance with the rules of the MN Rural Finance Authority and the Participation Agreement which we have executed.

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

The lender must submit the following documents with this application:

\$50 non-refundable application fee; appraisal report; cash flow projection for the next complete production year; three years of borrower's income tax statements; loan narrative and risk rating analysis; qualified financial statement; RFA Loan Agreement and Note (rough draft); and Seller Assisted Loan Commitment Form (if applicable).

(Financial information is confidential by law)

\_\_\_\_\_  
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**PART 6: RFA APPROVAL/DISAPPROVAL OF APPLICATION**

Approved for RFA participation and closing.

Not approved.

Participation has been assigned the following number: \_\_\_\_\_

Comments:

\_\_\_\_\_  
(Authorized Signature) (Title) (Date)

Note: If not approved, either the applicant or lender may petition for reconsideration. Call the RFA office for further information.

**PART 7: LENDER CERTIFICATION OF LOAN CLOSING**

This loan was closed on: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Authorized Signature) (Title) (Date)

(After closing, forward copies of recorded documents/closing documents to the RFA)

\_\_\_\_\_  
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## APPLICATION INSTRUCTIONS TO APPLICANTS

1. Meet with a potential lender. Lender participation in RFA programs is completely voluntary and will vary over time and throughout the state. The RFA cannot make direct loans to individuals. The RFA may not participate in contractual agreements between individuals. The RFA may only purchase a portion (called a participation interest) in a first mortgage loan made by a participating financial institution. By purchasing this participation interest, the RFA is able to reduce the interest rate paid by the farmer.
2. In an applicant applies for a loan under the Seller Assisted program, the seller must provide a portion of the total financing. This debt will be in a subordinate security position to the debt owed to the lender and RFA.

**DISCLAIMER:** Neither the lender nor RFA are parties to, or otherwise responsible for any agreement between an applicant and a seller. Both parties should seek appropriate legal advice in order to represent and protect their interests and rights.

3. All applicants should determine the legal description of the property you intend to finance and take that information to your local Soil and Water Conservation District office along with Part 8 of this application.

That office can help you identify those lands which are marginal and possibly unsuitable for agricultural production. They can also assist you in establishing an appropriate soil and water management plan if one is not already in effect. Have them sign the appropriate statement.

4. Arrange to meet with a Farm Business Management Instructor (Beginning Farmer and Seller Assisted programs only).

Instructors can be contacted through your local technical institute or high school. You may also call the RFA office for a list of approved instructors. These instructors are knowledgeable and have access to information which will be of great value to you. They can help you develop a sound farm business plan; determine future farm income and expenses, and potential profitability. An instructor can also help you identify your personal management strengths and weaknesses, and guide your enrollment in appropriate farm management programs. Have the instructor you work with sign the appropriate statement.

5. Remain in contact with your lender as you proceed with the development of your farm business management plan.

You can only participate in the program through an approved lender. Keep them well informed. They may suggest alternatives and advise you of other considerations that could affect their evaluation of your credit needs and their credit decision.

**Page 6 should be separated from the application. The applicant is responsible for securing the required signatures on page 6. The applicant is also responsible for the completion of page 7.**

**PART 8: SUPPORTING STATEMENTS**

Applicant Name: \_\_\_\_\_

Type of Farming Operation: \_\_\_\_\_

Property Description:

**A. STATEMENT OF SOIL AND WATER CONSERVATION PLANNING (All Applicants)**

This statement certifies that the above named individual has visited this SWCD office and inquired about the soil and water conservation needs for the identified farm property. Information on the following issues have been provided to the applicant:

1. The need for a soil and water conservation plan, and if appropriate, an implementation schedule for that plan.
2. Those provisions of the 1985 U.S. Food Security Act which deal with highly erodible land and wetland conservation.
3. Other state and federal assistance programs for implementing and financing resource protection efforts.

Comments (optional):

SWCD/NRCS Office: \_\_\_\_\_

Date: \_\_\_\_\_

SWCD/NRCS Signature: \_\_\_\_\_

Phone: \_\_\_\_\_

**B. STATEMENT OF FARM MANAGEMENT PROGRAM PLANNING AND ENROLLMENT (Beginning Farmer and Seller Assisted programs only)**

This statement certifies that the above named individual has met with a qualified Farm Business Management Instructor and discussed development of a business plan for the farm property identified above. Applicant has paid the initial registration fees for enrollment in appropriate farm management programs. Instructor agrees to refund said fee if this application is not approved.

School: \_\_\_\_\_

Date: \_\_\_\_\_

Instructor Signature: \_\_\_\_\_

Phone: \_\_\_\_\_

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**PART 9: STATEMENT OF EXPERIENCE (By Applicant)**

Describe your farming operation. How does this project change your present situation? (Attach a separate sheet if needed.)

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FOR STATISTICAL PURPOSES ONLY – NOT USED FOR CREDIT ANALYSIS – PLEASE COMPLETE  
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Age/s:	_____	Post H.S.:	<input type="checkbox"/> T	or	<input type="checkbox"/> F
Married:	<input type="checkbox"/> T	or	<input type="checkbox"/> F	College Degree:	<input type="checkbox"/> 2 yr. or <input type="checkbox"/> 4 yr.
Children	<input type="checkbox"/> T	or	<input type="checkbox"/> F	School:	_____
H.S. Graduate:	<input type="checkbox"/> T	or	<input type="checkbox"/> F	Major:	_____

\_\_\_\_\_  
(Signature) (Spouse) (Date)

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