



UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

FARM LOANS

**2014 FARM BILL
 FACT SHEET**

November 2015

Farm Loan Information Chart

The following chart summarizes FSA farm loan information. Additional details are available at local FSA offices and on FSA's website: www.fsa.usda.gov .			
Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$300,000	<ul style="list-style-type: none"> • Rate based on agency borrowing costs • Term up to 40 years 	<ul style="list-style-type: none"> • Purchase farm • Construct buildings or other capital improvements • Soil and water conservation • Pay closing costs
Direct Farm Ownership (FO) Participation	\$300,000	<ul style="list-style-type: none"> • Rate is direct FO rate less 2% with a floor of 2.5% if at least 50% of loan amount provided by other lender • Term up to 40 years 	Same as Direct FO
Direct Down Payment Farm Ownership Program	The lesser of: <ul style="list-style-type: none"> • 45% of the purchase price, • 45% of the appraised value, • \$300,000 	<ul style="list-style-type: none"> • Rate is direct FO rate less 4% with a floor of 1.5% • Term of 20 years • Down payment of at least 5% 	<ul style="list-style-type: none"> • Purchase of farm by a beginning or underserved farmer
Direct Operating (OL)	\$300,000	<ul style="list-style-type: none"> • Rate based on agency borrowing cost • Term from 1 to 7 years 	<ul style="list-style-type: none"> • Purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies • Soil and water conservation • Refinance debts with certain limitations
Direct Operating Microloan (ML)	\$50,000	Same as Direct OL	Same as Direct OL
Direct Emergency	100% actual or physical losses \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> • Rate is based on the OL rate plus 1% • Term from 1 to 7 years for non-real estate purposes • Term up to 40 years for physical losses on real estate 	<ul style="list-style-type: none"> • 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 debts with certain limitations
Guaranteed Operating	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> • Rate determined by the lender • Term from 1 to 7 years • Loan guarantee fee is 1.5% 	<ul style="list-style-type: none"> • Same as direct OL
Guaranteed Farm Ownership	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> • Rate determined by the lender • Term up to 40 years • Loan guarantee fee is 1.5% 	<ul style="list-style-type: none"> • Same as direct FO except loan may be used to refinance debts
Guaranteed Conservation Loan (CL)	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> • Rate determined by the lender • Term not to exceed 30 years, or shorter period, based on the life of the security • Loan guarantee fee is 1.5% • Eligibility requirements expanded to include large and financially strong operations 	<ul style="list-style-type: none"> • Implement any conservation practice in an NRCS approved conservation plan • May be used to refinance debts related to implementing an NRCS approved conservation plan
Land Contract (LC) Guarantee	The purchase price of the farm cannot exceed the lesser of: <ul style="list-style-type: none"> • \$500,000 • The current market value of property 	<ul style="list-style-type: none"> • Rate cannot exceed the direct FO interest rate plus 3% • Amortized over a minimum of 20 years with no balloon payments during the first 10 years of loan • Down payment of at least 5% 	<ul style="list-style-type: none"> • Sell real estate through a land contract to a beginning or underserved farmer • Guarantee is with the seller of the real estate

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