



Midwest Business Solutions
Commercial and Agricultural Lending

Requirements for Farmer Mac Term Loans

	Farm and Ranch Loans					Facility Loans				
	Fast Track	Refi of Seasoned Farmer Mac Loan	Full Underwrite			Cattle Feedlot	Feedlot Dairy	Packing Houses & Other Facilities	Poultry	Swine
			Standard Pricing	Choice Pricing	Cow/Calf Ranch Loans					
TDC - Proforma Total Debt Coverage	≥ 1.00X ①	N/A	≥ 1.25X①	≥ 1.50X	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.35	≥ 1.25	≥ 1.25
CR - Proforma Current Ratio	≥ 1.00X	N/A	≥ 1.25X	≥ 1.50X	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25
DA - Leverage: Proforma Debt/Asset	≤ 40%	N/A	≤ 50%	≤ 40%	≤ 40%	≤ 50%	≤ 50%	≤ 50%①	≤ 65%	≤ 60%
Loan Size	Up to \$1MM	≤ 1000 ac: \$30MM. > 1000 ac: \$11MM	≤ 1000 ac: \$30MM. > 1000 ac: \$11MM	≤ 1000 ac: \$30MM. 1000 ac: \$11MM	≤ 1000 ac: \$30MM. 1000 ac: \$11MM	≤ 1000 ac: \$30MM. > 1000 ac: \$11MM	≤ 1000 ac: \$30MM. > 1000 ac: \$11MM	≤ 1000 ac: \$30MM. 1000 ac: \$11MM	≤ 1000 ac: \$30MM. 1000 ac: \$11MM	≤ 1000 ac: \$30MM. > 1000 ac: \$11MM
LTV	≤ 55%	≤ 60%	≤5MM: 70% or less② >5MM: 60% or less	≤ 60%	≤ 55%	≤5MM: 65% or less① >5MM: 60% or less	≤5MM: 65% or less >5MM: 60% or less	≤5MM: 65% or less② >5MM: 60% or less	75% New 65% Existing	75% New 70% Existing
Maximum contributory value of ag producing structures (primary dwelling not included) of total property value	40%	60%	60%	60%	60%					
Aggregate Borrower Exposure	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM	\$30MM
Credit Score	≥ 720	N/A	≥ 680	≥ 680	≥ 680	≥ 680	≥ 680	≥ 680	≥ 680	≥ 680
Combined LTV (all property debt / asset value)	N/A	N/A	N/A	N/A	N/A	N/A	≤ 90%①	N/A	≤ 90%①	≤ 90%①
Term (in Years)	7, 10, 15, 20, 25 or 30	7,10, 15, 20, 25 or 30	7,10, 15, 20, 25 or 30	7, 10, 15, 20, 25 or 30	7, 10, 15, 20, 25 or 30	10, 15 or 20	10-15	10,15	10,15	10
Purchase Contract Required for Ag Product	No	No	No	No	No	No	Yes	Yes	Yes	Yes
Amortization (in Years)	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15 or 20	10 or 15	15	10-existing;15 new	10
Cash out Limitation	None	≤ 5%	≤ 25%③	≤ 25%①	< 25%	No Cash-outs	No Cash-outs	No Cash-outs	No Cash-Outs	No Cash-Outs
Permanent Planting Loan Security	Yes	N/A	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Other	① Operation must demonstrate that it is viable with a 1:1 total debt coverage for past two year's of tax returns. *Most recent tax return required.	*Loan must have originated 5 years prior to FM purchase date and have no 30+ late pays in past 3 years. *There must have been no material loan modification since original loan date. *Amortization can be extended beyond existing loan if remaining economic life of improvements & plantings justify extension. *New environmental disclosure required.	① Loans with LTV of 60-70% TDC must be 1.50+ with no exceptions to proforma DA and CR standards. ② Maximum LTV = 60% for loans in: North Dakota, South Dakota, Minnesota, Iowa, Ohio, Missouri, Nebraska. ③ Unlimited cash out if amortization is 15 years or less and LTV is less than 60% with compensating strengths	① Unlimited cash out if amortization is 15 years or less and LTV is less than 60% with compensating strengths	* It is recommended that appraisals be completed with a market analysis on an Animal Unit (AU) year round capacity basis. * Federal and State grazing leases, that constitute an integral part of the ranching unit will be required. *Leases are required if needed to maintain ranch "carrying capacity" and the value of the leases is included in the appraisal.	① Maximum LTV = 60% for loans in: North Dakota, South Dakota, Minnesota, Iowa, Ohio, Missouri, Nebraska. For loans with LTV between 60-65%, TDC must be ≥ 1.50x and no exceptions to proforma debt to asset ratio and proforma current ratio standards. *Farmer Mac requires the Seller be the feedlot's operating lender unless there is no operating debt. *As the size and complexity of feedlots increases, Farmer Mac's degree of financial reporting requirements will	① Subordinate liens of new construction will be allowed at loan closing as long as the total lien position does not exceed 90% of the value of the security. *Operation must be economically viable. *Milk assignments usually required. *Evidence of permits for waste disposal and her occupancy for stated capacity usually required.	① Or LTD/NW ≤ 80% ② For loans with LTV between 60-65%, TDC must be ≥ 1.50x and no exceptions to proforma debt to asset and current ratio standards. *Operation must be economically viable.	① Subordinate liens of new construction will be allowed at closing as long as total lien position does not exceed 90% of the value of the security. *Borrower must have a production contract with a processor insuring occupancy or use of the facility as an integrator. Contract must be standard in industry with payment assigned to FM. *Operation must conform to all environmental rules and regulations. Manure easement may be needed.	① Subordinate liens for new construction will be allowed at closing as long as total lien position does not exceed 90% of the collateral value. *Borrower must have a contract with processor or producer for entire term of loan. Contract must be non-cancelable & assignable to FM. *Contract finishing operations must have multiple integrators available. *Operation must conform to all environmental rules and regulations. Manure easement may be needed.

PLEASE NOTE: THIS UNDERWRITING GRID IS FOR REFERENCE PURPOSES ONLY.