



District 7 - Barber - Clark - Comanche - Edwards - Ford - Gray - Hodgeman - Kiowa - Ness - Pawnee - Pratt - Stafford

March 2008



FARM LOAN PROGRAM RULES STREAMLINED

As of January 1, 2008, FSA's Farm Loan Programs (FLP) will be modernized in an effort to make it easier for farmers, ranchers and producers to apply for loans. Over the past few years FSA has streamlined areas of its farm loan programs, such as the Guaranteed and Emergency Loan Programs, by revising loan making and servicing requirements and procedures to better serve applicants and borrowers.

Direct Loans Programs streamlining includes:

- Reducing, by more than 80% ,the number of pages in the Code of Federal Regulations necessary to administer Farm Loan Programs;
- Modifying requirements to more closely conform to those used by other lenders;
- Ensuring all forms are available on-line;
- Reducing the number of forms required by nearly 50%; and
- Making guidance more manageable by replacing nearly 40 instruction manuals with six handbooks.

More information about streamlining can be provided by local Farm Loan Program staff or online at <http://www.fsa.usda.gov>; click on "Farm Loan Programs"

LOANS FOR BEGINNING FARMERS, SOCIALLY DISADVANTAGED

FSA has funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more that 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program
- Does not own a farm in excess of 30% of the county's average size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

FSA GUARANTEED LOANS

FSA guaranteed loans provide lenders with a guarantee of up to 95% of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. FSA guaranteed loans are for both Farm Ownership and Operating purposes. More information regarding FSA guaranteed loans can be obtained from your local USDA Service Center.

FARM STORAGE FACILITY LOANS

FSA offers seven-year, low-interest loans to grain producers to build new or upgrade existing storage facilities and related essential, permanently affixed drying or handling equipment. Loan opportunities include, but are not limited to:

- New conventional-type cribs or bins, oxygen-limiting and other upright silo-type structures, and flat-type storage structures designed for whole grain storage,
- Perforated floors, safety equipment, electrical equipment and concrete components considered essential for a fully functional storage facility,
- Remodeling existing storage facilities.

Farm storage facility loans must be approved prior to site preparation, equipment purchase or construction, and must be secured by a promissory note and security agreement. Special provisions apply for loans exceeding \$50,000. The maximum loan amount will be 85 percent of the net cost of the applicant's needed storage or handling equipment, not to exceed \$100,000 per borrower. A minimum down payment to the supplier or contractor is required to bridge the gap between the net cost of the storage facility and the loan amount. Fixed interest rates on farm storage facility loans are equivalent to the rate of interest charged on U.S. Treasury Securities of comparable maturity on the date the loan is approved. There is a \$45 application fee.

USDA WORKS TO PROTECT PERSONALLY IDENTIFIABLE INFORMATION (PII)

USDA has formally launched a Department-wide campaign to make certain that producers' "Personally Identifiable Information" or PII, is being protected. The PII generally refers to information which is maintained by a USDA agency about an individual, including USDA customers and USDA employees. Information may include details of financial transactions between a customer and the Department; such unique information as a Social Security number and a date or place of birth which could be used to trace an individual's identity; and other personal information, including medical or criminal history, which is linkable to a particular individual. As part of USDA's official policy on social security numbers, USDA will collect, use, maintain, and/or disseminate Social Security numbers only when required by statute or when specifically authorized to do so. USDA agencies will not use the number as an identity number. Agencies must mask or encrypt Social Security numbers so that they cannot be viewed on computer screens, reports, or other products. Agencies will not use Social Security numbers to access customer records.



FOREIGN LANDOWNERS MUST REPORT HOLDING

The Farm Service Agency, reminds foreign investors who buy, sell or hold a direct or indirect interest in agricultural lands in the United States that they are required under the Agricultural Foreign Investment Disclosure Act to report their holdings and transactions to the U.S. Secretary of Agriculture. The Secretary of Agriculture has delegated the responsibility for collecting this information to the Farm Service Agency. Foreign investors buying or selling land must report such transaction within 90 days of the date of the sale. Failure to file an accurate or timely report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

Reports must be filed by:

- individuals who are not U.S. citizens or citizens of the Northern Mariana Islands or the Trust Territory of the Pacific Islands;
- individuals who are not lawfully admitted to the United States for permanent residence or who are not paroled into the United States under the Immigration and Nationality Act;
- any organization created under the laws of a foreign government or which has located its principal place of business outside the United States;
- any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals, organizations, or governments; and
- any foreign governments.

Farm Service Agency form FSA-153 is used to report land holdings and transactions. The completed form must be returned to the FSA county office where the land is located.



REASONABLE ACCOMMODATIONS

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

The U. S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Person with disabilities who require alternative means of communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 729-6382 (TDD). USDA is an equal opportunity provider and employer.

DISASTER PROGRAMS CONTINUE CDP

The Crop Disaster Program (CDP) provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops. **CDP signup** for quantity loss began **October 15, 2007**. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

LCP-LIP

Ranchers and other livestock producers can also apply to receive benefits under the Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP). LCP compensates livestock producers for feed losses due to a natural disaster. For more information on these and other programs simply contact the nearest USDA Farm Service Agency office.

DDAP- III

Eligible dairy producers can sign up for the Dairy Disaster Assistance Program (DDAP-III) at local FSA service centers. To be eligible for DDAP-III, dairy producers must have suffered losses in primary and contiguous counties declared or designated a natural disaster. Also, producers in counties receiving an FSA Administrator's Physical Loss Notice determination are eligible. To find out more information or to apply for the program, contact your local USDA Service Center or FSA County Office.

NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available. This coverage entitles eligible producers to a payment of 55% of an average market price for the commodity if a natural disaster caused a 50 percent production loss or greater of an eligible crop. The administrative service fee is \$100 per crop per administrative county not to exceed \$300 per producer per administrative county and a \$900 maximum fee for multi-county producers. Interested producers must pay the fee and file form CCC-471, Application for Coverage, by the application closing deadline. The application deadline date for the 2008 NAP coverage is:

- **March 15** for coarse grains, vegetable and melon crops, Amaranth, Chestnuts, Cotton, Pecans, Pumpkins, Safflower, Sesame, Squash, and Walnuts.