



Special Apple Loan Program

Eligibility

Must have been a producer of apples in 1999 or 2000 on not less than 10 acres, including leased land.

Applicant must be a US citizen or legally admitted for permanent residency, have legal capacity to incur the debt, cannot be delinquent on non-tax Federal debt, cannot have an outstanding Federal judgment, and have previously provided false or misleading information to FSA. For entity applicants, the majority of the business entity must be owned by members meeting the citizen test or be a domestically owned business entity and all members must meet the program eligibility requirements.

Loan Amount

The loan amount is limited to \$300 per acre of apple trees in production in 1999 or 2000, whatever is greater. The maximum loan amount is \$500,000.

Loan Purposes

Loans funds can be used to pay costs to improve profitability of a farm, pay annual operating expenses, purchase farm equipment and fixtures, acquire, enlarge, or lease a farm, make capital improvements to a farm, refinance debts, purchase coop stock, or pay loan closing costs. Loan funds cannot be used for lobbying or related activities, pay Federal judgments, or any purpose which contributes to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

Security

There must be sufficient collateral to adequately secure the loan. FSA will take a lien on the applicant's real estate. Other security could include machinery and equipment, crops, and other assets owned by the applicant or pledged by a third party. Security values will be based on an appraisal acceptable to FSA and must be paid by the applicant. For loans up to \$30,000 and where the net worth of the applicant is three times the loan amount, values can be documented by assessment or tax information.

Rates & Terms

Interest on the loan is based upon the Government's cost of borrowing. This rate will be fixed for the term of the loan. The loan will be equally amortized to be fully paid in a maximum of three years.

Repayment

All loan applicants must demonstrate that the proposed loan can be repaid. Applicants requesting loans up to \$30,000 and with a net worth three times the loan amount, are considered to have adequate repayment without further documentation. For loans exceeding \$30,000, repayment ability will be demonstrated by a cash flow budget based on historical performance.

Contacts

Please contact your local FSA office for additional information and required forms.

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