



### Youth Loans

#### OVERVIEW

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans of up to \$5,000 to eligible individual youths ages 10 to 20 to finance income-producing, agriculture-related projects. The project must be of modest size, educational and initiated, developed and carried out by youths participating in 4-H clubs, Future Farmers of America, tribal youth organizations or similar agricultural-affiliated groups.

The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience in agriculture-related skills.

#### WHO MAY BORROW

To qualify for a loan, the applicant must:

- Comply with FSA's general eligibility requirements; and
- Conduct a modest income-producing project in a supervised program of work.

#### HOW LOAN FUNDS MAY BE USED

These loans can finance many kinds of income-producing agricultural projects. The loan funds may be used to:

- Buy livestock, seed, equipment and supplies;
- Buy, rent or repair needed tools and equipment; and
- Pay operating expenses for the project.

#### WHAT DETAILS TO KNOW

To apply, the applicant must submit completed plans and budgets signed by the project advisor and parent or guardian along with the FSA application for loan assistance.

These loans:

- Have a maximum loan amount of \$5,000 (total principal balance owed at any one time cannot exceed this amount);
- Have an interest rate that is determined periodically, based on the cost of money to the federal government (after the loan is made, the interest rate for that loan will not change);
- Will be secured, in addition to promissory notes, by liens on the products produced for sale and on chattel property, including livestock, equipment and fixtures purchased with loan funds; and
- Have a repayment schedule that varies depending on the type of project for which the loan is made. For example, if it involves raising livestock or crops, the loan is paid when the animals or produce are normally sold.

#### FOR MORE INFORMATION

To apply or for additional information on youth loans, contact your local FSA office at <http://offices.usda.gov>. A list of offices, and more information about youth and other loan programs, are available through the FSA website at [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans).

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:*

- 1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410;
- 2) fax: (202) 690-7442; or
- 3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

*USDA is an equal opportunity provider, employer, and lender.*