



United States Department of Agriculture

## Farm Service Agency

# Conservation Loan Program

FACT SHEET

March 2020

### Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) guarantees loans to promote conservation practices on farms and ranches that help protect natural resources throughout the United States.

FSA's Conservation Loans are available to both smaller and less financially established farmers and ranchers and to larger and financially stronger farmers and ranchers. The family farm and test for credit requirements are not applicable to Conservation Loans.

### Conservation Loan Program and NRCS

FSA Conservation Loans are for implementing conservation practices approved by the USDA's Natural Resources Conservation Service (NRCS), such as:

- Reducing soil erosion;
- Improving water quality; and
- Promoting sustainable and organic agricultural practices.

Specific conservation practices include:

- Installing conservation structures;
- Establishing forest cover;
- Installing water conservation measures;
- Establishing or improving permanent pastures;
- Transitioning to organic production;
- Managing manure, including manure digestion systems; and
- Adapting other emerging or existing conservation practices, techniques or technologies.

If you do not already have a NRCS-approved conservation plan, contact your local NRCS staff to develop one for your farm or ranch. Conservation plans must be approved by NRCS before FSA can provide financing.



### Rates and Terms

Farmers and ranchers can apply for guaranteed Conservation Loans from approved FSA lenders. FSA guarantees Conservation Loans with loan limits up to \$1,776,000. Conservation loans are available as guaranteed loans only.

Interest rates on guaranteed Conservation Loans are negotiated between the lender and the borrower.

Terms vary based on the life of the security offered, but not to exceed 30 years. Conservation Loans must be fully secured and can only be approved for those who have the ability to repay them.

### Streamlined Application

Some farmers and ranchers may be eligible to apply through a streamlined application process with reduced paperwork.

Applicants with a debt-to-asset ratio of 40 percent or less, have a minimum FICO score of 700, and have a net worth of at least three times the loan amount can use the streamlined application process. All applicants must be current on payments to all creditors.

### More Information

For more information, visit [fsa.usda.gov/farmloans](https://fsa.usda.gov/farmloans) or [farmers.gov](https://farmers.gov). Find your local USDA Service Center at [farmers.gov](https://farmers.gov).