**First Dakota National Bank and**

**Dakota Mac, a Division of First Dakota National Bank**

First Dakota National Bank, headquartered in Yankton, SD, first opened their doors to Agri-business in 1872. Since then First Dakota has grown to total assets exceeding $1.4 billion with a financial team of over 350 employees in 19 traditional banking locations throughout South Dakota. Their core strength lies with their highly skilled and motivated employees who are committed to not only doing the right thing, but doing things right. First Dakota is recognized as a leader in providing lending services to businesses and agriculture. Based on loans originated, First Dakota’s Agri-business division is ranked as one of the top 10 Ag banks in the nation.

First Dakota is a long time user of USDA’s Farm Service Agency (FSA) guaranteed loan program. Management understood the importance of submitting a consistent FSA guarantee application for approval and created Dakota Mac (a division of First Dakota National Bank) in 1993 to provide long-term Ag financing solutions at very competitive interest rates and terms. Dakota Mac is headquartered in Yankton, South Dakota and manages Loan Production Offices in Mitchell and Watertown, South Dakota; as well as Columbus, Hastings, and Ogallala, Nebraska. Dakota Mac offers financing solutions to crop, livestock, dairy and swine producers with products ranging from operating lines of credit, equipment loans and leases to real estate financing. Several Dakota MAC Loan Production Officers originate the FSA guarantees, and their highly qualified team services the loans after origination.

Then in March 1999, First Dakota became FSA’s first Preferred Lender in the country, after receiving approval of their Credit Management System (CMS). Denny Everson (former Executive Vice President) worked tirelessly with FSA to draft the first CMS in the nation. The Preferred Lender status allows First Dakota to originate and service FSA guaranteed loans in a very efficient manner. Today, First Dakota ranks 72nd in the nation based on the number of outstanding guaranteed loans.

“First Dakota uses the FSA guarantee program in many ways, such as to shore up risk on established producers, but it also allows us to finance Beginning Farmers with the purchase of land under the 5-45-50 program,” says Nathan Sparks, Loan Production Officer for Dakota Mac. Nathan started with Dakota Mac in 2003 packaging FSA guarantees for First Dakota. “FSA used to be criticized as a lender of last resort, but not anymore. In today’s world they are crucial to financing rural America with guarantees,” Nathan continues.

Financing rural America has been our passion since opening our doors. Sometimes, the guarantee borrowing limit is not enough to meet our producer’s needs; therefore, Dakota Mac partners with FSA and Farmer Mac to use the Ag Assist program allowing for a larger loan with very competitive rates and terms. “This program works very well for producers needing a higher loan over the current borrowing limit,” Nathan states. With this program we can potentially lend just over $5 million to one producer. The Ag Assist program requires a Farmer MAC (FMAC) loan in first lien position on Ag real estate with a government-guaranteed (FSA) subordinate mortgage in second position.

“With the use of the Ag Assist program and the FSA guarantee program, Dakota Mac was able to assist a Nebraska producer with a combined real estate loan of $2.8 million,” stated Nathan. “The partnership Dakota Mac has with FSA and FMAC allows us to think outside the box.”

As mentioned previously, Dakota Mac originates 5-45-50 loans (FSA’s Direct Farm Ownership Down Payment Loan program) as well. This is for Beginning Farmers and Historically Underserved (socially disadvantaged) loan applicants as defined by FSA on their [website](https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/farm-ownership-loans/index). The program requires the applicant to contribute at least 5% of the purchase price in cash first, then allows FSA to loan up to $300,000 on a direct basis in a subordinate position, and a bank to finance the difference with an FSA Guaranteed loan. “This program currently allows the eligible applicant a 1.5% rate for 20 years on the direct portion which gives them a tremendous start for purchasing land,” Nathan states. First Dakota has been able to close many of these transactions over the years.

First Dakota and Dakota Mac promote the FSA Guarantee program and believe in what it can do for producers. Whether it’s shoring up risk with producers struggling in harder economic times or those that do not quite qualify for our Secondary Market standards, the program is a great tool to have available.

Nathan D. Sparks | Loan Production Officer

500 East Norway, PO Box 1306, Mitchell, SD  57301

(888)-656-6528 | (605)-995-7916 | (605)-770-1607 cell

[www.dakotamac.com](https://www.dakotamac.com/)



For a list of FSA Guaranteed lenders in your state, please visit: [www.fsa.lenderlist](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/Farm-Loan-Programs/pdfs/Current_Guaranteed_Lender_List.pdf)

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