

Meet the Lender - Nebraska State Bank



Nebraska State Bank has been financing agriculture since its founding in 1921. The bank was primarily involved in financing cattle operations as Oshkosh sits on the southern edge of the world famous grazing area known as the Sandhills. When the 1980's arrived and many rural banks suffered, Nebraska State Bank was not exempt. Management determined the best way to survive this era was to utilize a newly formed guaranteed loan program offered through the United States Department of Agriculture. This program helped the bank financially recover and has turned it into a sound, high-performing institution.

Due to the success in keeping many local borrowers in business, as well as lowering the risk to the bank, the program slowly expanded to neighboring counties as banks were trying to clean up their loan books. By the end of the 1990's Nebraska State Bank's reputation of strictly servicing FSA guaranteed loans allowed it the ability to process and service loans in Nebraska and each of its neighboring states. In August of 2000, Nebraska State Bank became one of the first lenders in the nation to obtain the Preferred Lender status.

Nebraska State Bank is currently approved as a Preferred Lender in 13 states; primarily in the western half of the United States. This territory has developed due to the efficiency and knowledge that the bank's lending staff has in putting together guaranteed loan applications and then servicing the loans. Borrowers, former borrowers, lenders, and FSA have all been key in passing along the bank's name to their neighbors. We take great pride in building our network in this capacity as we spend very little in advertising our loan programs.

Nebraska State Bank uses the FSA guaranteed loan program to offer Farm Ownership loans which are used to purchase real estate, develop real estate with buildings or permanent crops, and refinance debt using real estate as collateral. Along with Term Operating loans which are used to purchase livestock or equipment and refinance debt using the chattels as collateral, and Revolving Operating Loans which are used to fund annual operating expenses. The bank also partners with FSA as part of the Beginning Farmer program and the Joint Financing program. Both programs allow producers with minimal equity the chance to purchase real estate.

As with all its lending, Nebraska State Bank scrutinizes each loan application to make a determination of whether or not the agricultural operation can generate a positive cash flow. Utilizing the FSA guaranteed loan program greatly assists in this process as it allows the bank to offer longer terms and fixed interest rates that are not available when utilizing conventional credit.

The FSA guaranteed loan program has also been an economic development success for our community of 880 people as the large volume of agricultural loans that the bank processes and services allow the bank to employ 10 people. There is also a secondary market company that buys and sells guaranteed loans located in the bank that employs 2 people.

Nebraska State Bank feels the FSA guaranteed loan program has greatly assisted the family farmer and rancher to access credit. Due to the variety of risks involved with agriculture and issues such as bank mergers, the family farmer that does not have a stellar financial history is often forced to look for a new lender. Nebraska State Bank has been able to provide credit to many of these producers. The FSA guarantee allows the bank to provide more favorable loan terms to give these operations their best chance of success to achieve a positive cash flow. Our staff is dedicated and well versed in agriculture and FSA guaranteed loan procedures allowing us to quickly and thoroughly analyze credit applications.

Nebraska State Bank looks forward to continuing to provide agricultural credit utilizing the FSA guaranteed loan program and developing relationships with more ag producers and FSA staff.

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