



**1. Financial Condition:**

**a. Current Net Worth:** \_\_\_\_\_

**Discuss past changes in net worth:**

**b. Working capital:** \_\_\_\_\_ **If negative, will it be corrected at closing?** \_\_\_\_\_

**Is the working capital sufficient for the operation?**

**Yes      No      N/A**

**2. Does the Lender’s Narrative contain the following information?**

**a. Description of the farming operation (types of enterprises, key personnel, Proposed changes to the operation and adequacy of RE, machinery, etc.)**

**b. An assessment of the adequacy of the collateral being offered for the loan**

**c. A discussion of the applicant’s financial condition and repayment ability**

Note: The lender should discuss any significant assumptions or deviations from historical performance in the proposed cash flow budget

**d. The name, Social Security number, and current address of any co-borrowers or co-signors required to execute the note at loan closing**

**e. The short-term and long-term business goals of the operation**

**f. The borrower’s reporting requirements, limitations, or other conditions**

**g. The conditions for renewal if the loan contains a balloon payment**

**h. A discussion of how the loan applicant meets the loan eligibility requirements**

**i. Any proposed non-typical agreements between the lender and the borrower**

**j. Conflict of interest in any relationships**

**k. If refinancing, has the lender addressed changes to ensure success?**

**Comments:**

**Note: If the lender’s narrative is not complete for the type of request, the FLM must contact the lender and obtain the additional information.**

Yes No N/A

**3. Is the projected cash flow feasible and supportable with history?**

Note: Any deviations MUST be explained by the lender.

**Were realistic figures used to develop the projected cash flow?**

**a. Are Projected yields supportable?**

**SEL: Are yields based on producer's 3 year history or within range of typical operations supported by reliable data?**

**Are any deviations appropriate and justified by the lender and FSA?**

**CLP: Did lender address the producer's performance in the loan narrative?**

**Are income projections based on financial history only?**

**Has the lender addressed any major changes in estimated yields?**

**Comments:**

**b. Prices used realistic? \_\_\_\_\_ FSA guidelines prices used? \_\_\_\_\_ Other source? \_\_\_\_\_**

**Comments:**

	Yes	No	N/A
<b>c. Are farm expenses supportable?</b>			
<b>SEL: Are expenses based on the operations past 3 years' data or within range of typical operations supported by reliable data?</b>			
<b>Is the operation's projected expense/income ratio consistent with history?</b>			
<b>Are deviations appropriate and justified by the lender and FSA?</b>			
<b>CLP: Are expenses based on the operations past history?</b>			
<b>Are deviations appropriate and justified by the lender and FSA?</b>			
<b>Comments:</b>			

	Yes	No	N/A
<b>d. Are family living expenses supportable?</b>			
<b>SEL: Are projected FLE's supported with history?</b>			
<b>CLP: Did lender comment of projected FLE's in the narrative?</b>			
<b>Comments:</b>			

Yes      No      N/A

**e. Are all debts and scheduled payments (including personal debts) listed on the debt repayment schedule?**

**Comments:**

**f. Are planned income and social security taxes realistic?**

**Comments:**

**g. Has NFI been verified and match projection in the cash flow? (SEL only)**

**Source of verification:** \_\_\_\_\_

**Comments:**

**h. Has other farm income been verified and match the cash flow? (SEL only)**

**Identify type of other farm income:** \_\_\_\_\_

**Source of verification:** \_\_\_\_\_

**Comments:**

**i. Do the FSA verified program payments match projections in the cash flow?**

(Note: only multi-year program payments should be considered in typical term loans)

**Comments:**

Yes No N/A

j. Are planned capital expenditures appropriate for the operation?  
Comments:

k. Discuss any variances in planned vs. historic operating profit ratios.

l. If a term loan and/or I.A. is involved, is the plan a "typical" year cash flow?

Yes No N/A

4. Appraisals, when required:

a. Chattel:

- 1. Is the appraisal current?
- 2. Does it contain at least the same information as the FSA-2160 "Appraisal of Chattel Property"?
- 3. Are values reasonable?

Comments:

Yes No N/A

b. Real Estate:

- 1. Is the appraisal current? (Not more than 12 months old?)
- 2. Completed in accordance with USPAP?
- 3. Are the values reasonable and acceptable to FSA?

Comments:

Additional comments, if needed:

I certify that all requirements of NE Notice 14-33 have been met. I recommend the approval of this loan.

\_\_\_\_\_  
Signature of Preparer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Approval Official

\_\_\_\_\_  
Date

Note: If Approval Official prepares, only sign as the Approval Official.  
Original to be placed in the Guaranteed Loan Docket