

Illinois GUARANTEED NEWS

Spring 2013

Volume 13-01



Inside

Highlights.....2

- New MICRO Loans
- Conducting Livestock Environmental Evaluations
- Land Contract Guarantees
- FSA Direct Loan Rates

Did You Know2

Highlights (Continued).....3

- Maximum Interest Rate on Guaranteed Loans
- Guaranteed Loan Semi-Annual Status Report Issues

Highlights (Continued).....4

- Funding Update
- Some Handy Links

FSA FLP Areas Map..... 5

FSA FLP Offices Directory...6

Farm Service Agency
Illinois State Office
Farm Loan Programs
3500 Wabash Ave.
Springfield, IL 62711

Telephone Numbers:
(217) 241-6600 ext. 2
www.fsa.usda.gov/daf1

Fiscal Year 2013

Below are the Guaranteed Operating and Farm Ownership loan funds obligated year to date in Fiscal Year 2013 for Illinois. (as of March 31, 2013)

Guaranteed Operating Loans	Obligations	No. Loans
Non-Beginning Farmer	\$ 10,085,340	32
Non-Beginning Farmer - SDA	\$ 0	0
Beginning Farmer	\$ 3,339,610	19
Beginning Farmer-SDA	\$ 0	0
TOTAL	\$ 13,424,950	51
Guaranteed Farm Ownership Loans	Obligations	No. Loans
Non-Beginning Farmer	\$ 53,247,070	101
Non-Beginning Farmer - SDA	\$ 0	0
Beginning Farmer	\$ 27,989,870	94
Beginning Farmer-SDA	\$ 567,000	3
TOTAL	\$ 81,803,940	198

Illinois FLP Delivery

As a result of reduced staffing, Illinois Farm Loan Programs (FLP) has recently realigned loan servicing areas to better accommodate current needs, workload, and customers. Along with several retirements or career changes for long time employees over the past few years, we have seen the recent retirements of two seasoned Farm Loan Managers, Larry Lawson, in Princeton, and Ron Knight in Tuscola, as well as long time Farm Loan Specialist, Terry Dodd, headquartered in Champaign. We welcome new Farm Loan Managers, Katie Haarmann to Monmouth, and Ben Josefik to Pontiac. In addition, Dennis Bland has relocated as Farm Loan Manager to Vandalia, and Larry Miller has relocated as Senior Farm Loan Officer to Carlinville. Other recent changes include loan officers Lesley Chandler to Monmouth, Steve Thursby to Pittsfield, and Rick Fenton to McLeansboro.

Due to the realignment, 16 counties are now served by different loan officers. Existing direct loan customers in those 16 counties were offered the option of remaining with their original servicing office. If those direct loan borrowers were also guaranteed customers and chose to stay with the original office, we kept the guaranteed account with the same office. FSA loan officials handling these 16 counties have been out and about, meeting both direct customers and guaranteed lenders in those new areas as part of their normal routine.

We appreciate the good working relationship and partnerships we have established with Illinois lenders through the years, and appreciate your cooperation and patience as we make these changes. Should you have any questions, please feel free to contact the local FSA office in your area or contact the State Office FLP section at 217-241-6600. An updated list of FLP county office staff and their locations, as well as a map of the new FLP service areas is included with this newsletter.

Highlights

New MICRO Loans

Microloans are direct farm operating loans, either annual or term, that:

- Have a maximum amount of \$35,000
- Have a shortened application process and reduced paperwork
- Fulfill operating needs of beginning, niche, and small farming operations with additional flexibility in meeting experience and management criteria
- Provide flexibility in loan security
- Encourage new investment and development to meet changing consumer demands
- Funds to be used for:
Start - up expenses, crop expenses, tools & equipment, livestock, minor farm improvements, and irrigation equipment

Conducting Livestock Environmental Evaluations

The Illinois Department of Agriculture (IDOA) reports an increase in permit requests for new livestock facilities. The number of guaranteed loan requests for animal feeding operations has also been increasing. Providing FSA with the basic information as early as possible in the process will allow us to complete our environmental review in a timely manner and work with IDOA and prevent unnecessary delays. Completing the assessments takes time so please remember the review must be completed BEFORE the loan can be approved. COMMUNICATION is the key!

Land Contract Guarantees

FSA's Land Contract (LC) Guarantee Program provides a valuable tool to transfer farm real estate to the next generation of farmers. Guarantees are offered to the owner of a farm who wants to sell real estate through a land contract to a beginning farmer/rancher or a farmer/rancher who is a member of a socially disadvantaged group. The guarantee provides an incentive to sell to individuals in these groups as it reduces the financial risk to the seller if the buyer defaults on the contract payments. Key program features include:

- Purchase price up to \$500,000.
- 5 percent down payment.
- Seller can choose either a prompt payment or standard guarantee.
- The LC Guarantee will be serviced by either an escrow agent for a prompt payment guarantee or a servicing agent for a standard guarantee.

Agricultural lenders are a valuable partner with FSA to assist the nation's farmers and ranchers. If you are interested in participating in the LC Guarantee Program as an escrow and/or servicing agent, please contact Bradley Johnson at bradley.a.johnson@wdc.usda.gov.

For more information on FSA's LC Guarantee program, visit www.fsa.usda.gov/Internet/FSA_File/lc_guarantee_program.pdf

FSA Direct Loan Rates	April 2013
Operating Loans (1 to 7 years)	1.375%
Farm Ownership	3.50%
Beg. Farmer Down Payment	1.500%
Emergency Loans	2.375%



Did You Know.....

The most recent 2-FLP Handbook can be viewed and downloaded at:

www.fsa.usda.gov/FSA/webapp?area=home&subject=lare&topic=hbh

Maximum Guaranteed Loan Limits:

Fiscal Year

2013 \$1,302,000

FSA's **Down Payment Program** for Beginning Farmers continues to be one of our most popular programs. Check it out at:

www.fsa.usda.gov/Internet/FSA_File/begin_loans_12_ind.pdf

Highlights Continued...

Maximum Interest Rates on Guaranteed Loans

The Farm Service Agency has issued an interim rule amending the regulations that specify interest rates on guaranteed farm loans. This interim rule ties the maximum interest rate charged on FSA guaranteed farm loans at the time of loan closing, or restructuring, to either the 3 month London Interbank Offered Rate (LIBOR), or the 5-year Treasury note rate, unless the lender uses a formal written risk-based pricing practice for loans. In that case, the rate must be at least one risk tier lower than the borrower would receive without the guarantee. The interim rule also does away with the definition of an “average agricultural loan customer.”

The National Office will notify lenders of the changes via the FSA GovDelivery e-mail notification system.

This interim rule has an effective date of May 3, 2013. Comments on the interim rule will be accepted through June 3, 2013. A copy of the proposed rule can be accessed at: <http://www.gpo.gov/fdsys/pkg/FR-2013-03-04/pdf/2013-04930.pdf>.

Guaranteed Loan Semi-Annual Status Report Issues FSA-2241

There has been a problem with the mailing of the paper forms FSA-2241 “Guaranteed Farm Loan Status Report,” for lenders who have not signed up to file statuses electronically. Guaranteed lenders who should receive multiple envelopes of status reports, due to the number of outstanding guarantees, may have received only a portion of the statuses due. Our Finance Office will be processing a second mailing of these paper statuses and lenders should be receiving them within a week or so, allowing time to process the reports by the end of April in most cases. If you receive a duplicate mailing, you are not required to fill out the second delivery.

For your convenience, FSA offers the ability to send Guaranteed Loan reports over the Internet. You no longer need to route paper through people for signatures or wait to update principal and interest balances. With the Lender Interface Network Connection (LINC), you can submit:

- Submit status reports (semiannual and default)
- Add loan closing
- View loans
- Lender Pre-Authorized Debit (PAD)

Lenders can go to www.fsa.usda.gov, click Farm Loan Programs, and then click Guaranteed Farm Loans to reach the Guaranteed Farm Loans page.

Also, on the Guaranteed Farm Loans page click "New LINC User Guide" to access a user guide for USDA LINC.



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Highlights Continued...

Funding Update

As you are aware, the Agency has been operating under a Continuing Resolution (CR) for the first six months of Fiscal Year (FY) 2013 (October 1, 2012 – September 30, 2013.) A second CR that will finish out the balance of FY 2013 was recently approved by Congress and signed into law. It may be another week or two before funds provided by the CR become available, although the National Office has provided a small amount of interim funds to allow states to obligate some Direct Operating (D-OL) and Guaranteed Farm Ownership Non-Beginning Farmer (G-FO-NBF) loans that were awaiting funding authority.

As the CR funding becomes available, we will begin obligating (G-FO-NBF) loans currently on our waiting list. And, as those loans are obligated, our loan offices will begin issuing Conditional Commitments for those loans.

Many lenders also participate with FSA on Direct Farm Ownership (D-FO) loans. As we receive funding for those loans, our offices will be in touch with the applicants for updated financial information, as well as notifying lenders.

At this time, there are substantial backlogs on a state and national basis in the D-FO and G-FO programs. We expect adequate Guaranteed Operating funds, but anticipate there may be a shortfall in Guaranteed Farm Ownership funds and Direct Farm Ownership funds for the FY. We appreciate the patience of lenders as we work through the current year funding issues. As additional funding information becomes available, we will update our field staff as soon as possible. Should you have questions on individual cases, we encourage you to contact the local office you are working with. In addition, please feel free to contact the Farm Loan Program staff here in Springfield.

Some handy links:

USDA, FSA Illinois home page

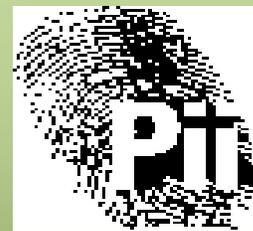
www.fsa.usda.gov/il

where you will find links to FSA Programs, Newsletters, FSA Handbooks, FSA Notices, News Releases, and much more.

FSA Farm Loan Programs home page

www.fsa.usda.gov/dafl

where you will find links to information about FSA's Farm Loan Programs!



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Illinois Loan Servicing Areas

Effective January 31, 2013

Illinois Farm Service Agency (FSA)
Farm Loan Program (FLP) County Office Directory

FLP Area	County	Location	Phone	Farm Loan Manager (FLM) Senior Farm Loan Officer (SFLO) Farm Loan Officer (FLO)	Farm Loan Program Technician (FLPT)
1	Whiteside	Morrison	815-772-2124	John Prange, FLM	Chris Wagenecht
1A	Stephenson	Freeport	815-235-2141	Rachel Eissens, SFLO	Linda Vick
2	Ogle	Oregon	815-732-6127	David Peterson, FLM	Cindy Sullivan
3	Warren	Monmouth	309-734-9308	Katie Haarmann, FLM Lesley Chandler, FLO	Tamee Renwick
4	Knox	Galesburg	309-342-5138	Lori Fink, FLM	Jane Spence
	Fulton	Lewistown	309-547-2233	Mike Webb, SFLO	Dawn White
	Henry	Cambridge	309-937-3377	William McKee, SFLO	Jennifer Anderson
5	LaSalle	Ottawa	815-433-0551	Steve Schmillen, FLM Patrina Thomas, FLO	Joan Keller
	Bureau	Princeton	815-875-8732		Michelle Gonzales
6	Grundy	Morris	815-942-0359	Ron Burling, CED	Teri Boylan
7	Livingston	Pontiac	815-844-6127	Ben Josefik, FLM	Kim Martin
	Iroquois	Watseka	815-432-3946		Kathie Arseneau
8	Hancock	Carthage	217-357-2188	David Ard, FLM	Penny Boulware
	Adams	Quincy	217-224-9307	Doug Beers, SFLO	Tela Montgomery
	Pike	Pittsfield	217-285-5448	Steve Thursby, FLO	Janet Brown
9	Logan	Lincoln	217-735-5508	Tony Schmillen, FLM	MariAnne Komnick
	Shelby	Shelbyville	217-774-5561	Mark Colonius, SFLO	Jan Campbell
10	Douglas	Tuscola	217-253-3340	Mike Albin, Acting FLM	Penny Warren
	Coles	Charleston	217-345-3901	Mike Albin, SFLO	Lexe Volk
11	Jersey	Jerseyville	618-498-6836	Cheryl Canavan, FLM Kim Eilerman, FLO	Sue Riechmann
11A	Macoupin	Carlinville	217-854-2626	Larry Miller, SFLO	
12	Fayette	Vandalia	618-283-2311	Dennis Bland, FLM	Wanda Whaley
12A	Montgomery	Hillsboro	217-532-3361	Brian Lewey, SFLO	Darla McFarlin
13	Effingham	Effingham	217-347-7107	Chris Walsh, FLM	Barb Painter
	Richland	Olney	618-392-7141	Elizabeth Lybarger, SFLO	Kathy Anderson
14	Washington	Nashville	618-327-8862	Kent Burns, FLM Josh Meyer, FLO	Denee Weissenborn
	Jefferson	Mt. Vernon	618-244-0773	Stan Burgess, SFLO	Stephanie Dent
15	Johnson	Vienna	618-658-3411	Tim Reynolds, FLM Brad Cowser, FLO	Marsha Bynam
	Hamilton	McLeansboro	618-643-4326	Rick Fenton, FLO	
	Wayne	Fairfield	618-842-7602	Brad Legg, FLO	Breann Leuke