

110 Specific Requirements for FO's

B Entity Requirements

In accordance with this paragraph, there can be cases where the entity applicant does not own the farm, but the entity would still be eligible for a guarantee Farm Ownership loan.

Example: A G-FO loan is being made to a family corporation who operates the farm. Mom is an active stockholder of the family corporation. Mom is the sole owner of the real estate. In this example the guaranteed farm ownership loan can be made to the family corporation, which is the operator.

All cases involving entity applicants, in which the entity will be the operator, but the entity is not the owner of the real estate, will be reviewed by the FSA State Office -- Farm Loan Division prior to eligibility determination.