

247 Actions Before Issuing the Loan Guarantee**B FSA Actions**

Guaranteed Line of Credits (LOC's) are "revolving lines" and all advances must be made within 5 years from the date of the guarantee. Certain Montana lenders do not wish to use a true revolving note on agricultural operating loans.

In these situations and with a guaranteed LOC, the lender may use a Master Note and then issue "annual" hand or advance notes as specified by the master note; or per discussion with OGC, use a Line of Credit Agreement. MT Exhibit 100 is an example of a minimally acceptable Line of Credit Agreement which has been developed by OGC. In these cases the Master Note or Line of Credit Agreement is the actual note instrument that will be referenced on FSA 2235.

Whether the lender uses a master note or a line of credit agreement, the document must specifically address that individual or "annual" notes in set amounts, that will be used annually to advance that production year's operating and living expenses.