USDA Improves Access to Credit by Streamlining and Modernizing Farm Loans

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(Washington, D.C., Sept. 3, 2026) - The U.S. Department of Agriculture (USDA) is improving access to credit for farmers and ranchers by making farm loan policy and technology improvements, reducing administrative burdens and strengthening financial security. These updates will increase efficiency by expediting the application process for direct loans, streamlining the process for certain guaranteed lenders who partner with USDA's Farm Service Agency (FSA) and laying the groundwork for an electronic interface for guaranteed loans.

"One of the biggest challenges farmers and ranchers face is access to capital," said Under Secretary Richard Fordyce. "The Trump administration is putting Farmers First by streamlining and modernizing the loan making process to get much-needed capital into the hands of farmers and ranchers who work so hard to build and preserve their legacy for generations to come. We've seen historic demand for farm loans over the last two years, demonstrating the importance of accessible, affordable credit for America's farmers and ranchers."

FSA makes direct and guaranteed loans to farmers and ranchers who are unable to obtain sufficient commercial credit at reasonable rates and terms. FSA farm loans can be used to purchase personal property or farmland, finance agricultural production expenses, or address day-to-day operational needs. The Consolidated Farm and Rural Development Act authorizes most farm loans including farm ownership, farm operating, and emergency loans.

Fast Tracking Direct Loan Applications

Following a successful pilot program, FSA is permanently implementing the Application Fast Track (AFT) process to expedite the loan application and approval process for low-risk direct loan applicants. AFT expedites the underwriting process for direct loan applicants who are least likely to default on their loans based on financial benchmarks and historical repayment data.

Since the pilot started in 2023, an average of 23% of direct loan customers qualified for the streamlined process, which decreased the application processing time by approximately eight calendar days. This resulted in improved access to credit for borrowers and increased efficiency for FSA staff.

AFT is currently available to all qualifying producers nationwide, and these changes simply transition AFT from a pilot program into a permanent part of FSA's regulations and policies. In addition to AFT, FSA is also making several changes to the direct loan collateral valuation process, which will expedite loan closings.

Streamlining for Preferred Lenders

FSA partners with credit unions, commercial banks, and farm credit organizations to deliver Guaranteed Loans, which help borrowers who cannot secure credit without a federal guarantee. Through Guaranteed Loans, the financial institution makes the loan, but FSA guarantees the farm loan against possible financial loss, reducing the lender's risk.

FSA is further streamlining the process for lenders in the Preferred Lender Program, which includes the most experienced and highest-performing lending institutions. These lenders will have delegated authority to certify that applicants meet FSA lending requirements for creditworthiness, financial feasibility, and adequacy of collateral in place of a more detailed agency review. This streamlined process reduces documentation requirements and expedites loan processing. Preferred lenders will receive more information and guidance on exercising delegated authority in the new electronic system before it goes live in early 2027. However, preferred lenders can begin exercising delegated authority through traditional loan narratives starting Oct. 1, 2026.

Guaranteed Loan Modernization

USDA is modernizing outdated technology systems with the goal of expediting loan delivery. This multi-year effort will begin with the guaranteed loan program and later extend to all loan types.

The new modernized system will allow guaranteed loan applications, lender notifications and supporting documents to be electronically submitted, replacing the agency's largely paper-based process. Paper applications will still be accepted, and FSA will provide notifications consistent with the submission method.

FSA is making regulatory changes ahead of implementing the new modernized system and will provide more information and training for guaranteed lenders before transitioning to the electronic interface in early 2027.

More Information

For more information on farm loans, producers can visit fsa.usda.gov, view the Federal Register notice or use the Loan Assistance Tool to check eligibility requirements and find the right loan for their operation. Producers can also make an appointment online with their local FSA farm loan office for assistance.

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