



RFA PILOT AGRICULTURAL MICROLOAN PROGRAM

What is the RFA Pilot Agricultural Microloan Program?

The Pilot Agricultural Microloan program is an initiative by the Rural Finance Authority and the state of Minnesota to assist new and established farmers. The programs focus is to transition the farmer from their current situation to one where operations qualify for traditional avenues of agricultural credit.

What are the key qualifications and terms for the microloan?

Applicants can access up to \$10,000 per operation or individual, for a maximum payback term of six years. Lending amount will also be limited to 70% of produce market value. Interest rate will be negotiated with the intermediary, but will be no higher than 10 %. Other common fees will also be negotiated with the intermediary. Applicants will also have to:

- be an individual who is a resident of Minnesota,
- be a current farmer or potential farmer, growing specialty crops and/or eligible livestock,
- have a documented business plan, including viable cashflow projection and marketing plan, and
- be from a protected group or qualified non-citizen as defined in Mn Statute 43A.02; subd. 33 or section 256B.06, subd 4, par (b),

How can a farmer use the funds?

Loan funds may be used by the borrower for operating capital for annual inputs, small machinery and/or equipment purchases, and other purchases necessary to the farm. Land or restructure of current debt is not eligible.

What is the function of the intermediary with the Pilot Agricultural Microloan Program?

The intermediary will serve as lending agent and local support person for the farmer.

Who can be an intermediary with the program?

Any non-profit or for-profit entity may serve as an intermediary with the program, provided they:

- are a business, non-profit, or other entity in good standing with the state of Minnesota,
- have a working relationship with a qualified applicant,
- can properly service the loan note, and
- have successfully completed an intermediary application and contract with the Minnesota Rural Finance Authority.

Who do I contact for more information on the program?

For more information or application details contact:

Minnesota Rural Finance Authority
625 Robert St North
St. Paul, MN 55155-2538
Phone (651) 201-6004