

# Low Interest Loans

Program	Funding Limits	Use of Proceeds	Terms and Maturity	Fees	Qualifications
<b>AgBMP Loans</b> <a href="http://www.mda.state.mn.us/grants/loans/agbmploan">www.mda.state.mn.us/grants/loans/agbmploan</a>	<ul style="list-style-type: none"> <li>\$200,000 maximum loan</li> <li>May have multiple loans</li> <li>Total of all outstanding loans cannot exceed \$200,000</li> </ul>	Any project or practice that helps water quality such as conservation tillage equipment, feedlot improvements, manure management equipment, well improvements, and any septic system, as well as many other practices that can be individually reviewed by your local government	<ul style="list-style-type: none"> <li>Maximum loan length of 10 years</li> <li>Maximum interest rate of 3%</li> <li>Lender may require collateral</li> <li>Borrower must meet lender's lending criteria</li> </ul>	Lender may charge customary fees  AgBMP: no fee	<ul style="list-style-type: none"> <li>Project must protect or improve water quality</li> <li>Farmer, Rural Landowner, or Farm Supply Business may apply</li> <li>Contact your local government to review and approve projects. Local contacts can be found at <a href="http://gis.mda.state.mn.us/agbmploan/">http://gis.mda.state.mn.us/agbmploan/</a></li> </ul>
<b>RFA Beginning Farmer Loan Program</b> <a href="http://www.mda.state.mn.us/grants/loans/basic.aspx">www.mda.state.mn.us/grants/loans/basic.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of first mortgage with a maximum of \$400,000</li> </ul>	Purchase of farm real estate	<ul style="list-style-type: none"> <li>RFA portion - 3.75% interest rate</li> <li>Lender and seller portion - negotiate</li> <li>Pay at least 10% down of appraisal value</li> <li>15-30 year terms</li> <li>RFA participation will balloon after 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Applicant must farm unit and be or intend to become a full-time farmer</li> <li>Net worth of less than \$816,800 (including spouse and dependents)</li> <li>Sufficient education or experience to succeed in intended farming practice</li> <li>Agree to enroll in farm business management program and consult with your local Soil and Water Conservation District office</li> <li>Agree to obtain credit life insurance to cover the purchase the property</li> </ul>
<b>RFA Seller-Assisted Loan Programs</b> <a href="http://www.mda.state.mn.us/grants/loans/seller.aspx">www.mda.state.mn.us/grants/loans/seller.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of loan up to a max. of \$400,000</li> </ul>	Purchase of farm real estate from seller willing to finance a portion of the purchase	<ul style="list-style-type: none"> <li>RFA portion - 3.75% interest rate</li> <li>Seller portion - negotiate</li> <li>15-30 year terms</li> <li>RFA participation will balloon after 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Same as Beginning Farmer Loan, plus</li> <li>Certify as the principal operator of the farm, and guarantee that farming is the principal future occupation and that the farm will be used for agricultural purposes only</li> </ul>
<b>RFA Agricultural Improvement Program</b> <a href="http://www.mda.state.mn.us/grants/loans/improvement.aspx">www.mda.state.mn.us/grants/loans/improvement.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of first mortgage with a max. of \$400,000</li> </ul>	Finance capital improvements to farming operation. Can be used to improve land and/or structures, efficiency, productivity, or increase farm income. Also includes wind energy conversion up to one megawatt (limited refinancing)	<ul style="list-style-type: none"> <li>RFA portion - 4.0% interest rate</li> <li>Lender portion - negotiate</li> <li>1-15 year terms</li> <li>RFA participation will balloon after 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Applicant must farm unit and be or intend to become a full-time farmer</li> <li>Net worth of less than \$816,800 (including spouse and dependents)</li> <li>Have sufficient education or experience to succeed in intended farming practice</li> <li>Consult with your local Soil and Water Conservation District office</li> </ul>
<b>RFA Livestock Expansion Program</b> <a href="http://www.mda.state.mn.us/grants/loans/expansion.aspx">www.mda.state.mn.us/grants/loans/expansion.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of first mortgage with a max. of \$525,000</li> </ul>	Finance improvements to livestock facilities (purchase of livestock not allowed) (no refinancing)	<ul style="list-style-type: none"> <li>RFA portion - 4.25% interest rate</li> <li>Lender portion - negotiate</li> <li>1-15 year terms</li> <li>RFA participation will balloon after 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Must farm unit full-time; at least one of the applicants must be the principal operator and actively engaged in a livestock operation</li> <li>Net worth of less than \$1,735,700 (including spouse and dependents)</li> <li>Show financial need and ability to repay loan</li> </ul>
<b>RFA Restructure II Program</b> <a href="http://www.mda.state.mn.us/grants/loans/restructure2.aspx">www.mda.state.mn.us/grants/loans/restructure2.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of first mortgage with a max. of \$525,000</li> </ul>	Restructure of agricultural debt for farmers in good credit standing experiencing trouble meeting cash flow due to adverse events	<ul style="list-style-type: none"> <li>RFA portion - 4.25% interest rate</li> <li>Lender portion - negotiate</li> <li>1-30 year terms</li> <li>RFA participation will balloon after 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Net worth of less than \$1,735,700 (including spouse and dependents)</li> <li>Have received 50% of gross income from farming in past three years</li> <li>Have operating expenses that do not exceed 95% of income</li> <li>Consult with your local Soil and Water Conservation District office</li> </ul>
<b>RFA Livestock Equipment Loan Program</b> <a href="http://www.mda.state.mn.us/grants/loans/liveequip.aspx">www.mda.state.mn.us/grants/loans/liveequip.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of equipment loan with a max. of \$40,000</li> </ul>	Finance the purchase of livestock equipment for housing, confinement, feeding, watering, fencing, milk production and waste management (no refinancing)	<ul style="list-style-type: none"> <li>RFA portion - 2% fixed interest rate</li> <li>Lender portion - negotiate</li> <li>1-10 year terms</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Must farm unit full-time; at least one of the applicants must be the principal operator and actively engaged in a livestock operation</li> <li>Net worth of less than \$464,555 (including spouse and dependents)</li> <li>Show financial need and ability to repay loan</li> </ul>
<b>RFA Disaster Recovery Loan Program</b> <a href="http://www.mda.state.mn.us/grants/disaster/disasterloan.aspx">www.mda.state.mn.us/grants/disaster/disasterloan.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of loan with a max. of \$200,000</li> </ul>	Finance, repair or replacement of structures and resources not covered by insurance after natural disaster. Replace flocks, make building improvements, or cover loss of revenue due to avian influenza	<ul style="list-style-type: none"> <li>0% or less fixed interest rate</li> <li>1-10 year terms</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Certify that the damage or loss was sustained within a county that was subject of a state or federal disaster declaration, or due to avian influenza</li> <li>Have received 50% of average gross annual income from farming in past three years</li> </ul>
<b>RFA Value-Added Stock Loan Program</b> <a href="http://www.mda.state.mn.us/grants/loans/stockloan.aspx">www.mda.state.mn.us/grants/loans/stockloan.aspx</a>	<ul style="list-style-type: none"> <li>RFA participation: 45% of loan with a maximum of \$40,000</li> <li>No more than 95% of purchased stock value will be loaned</li> </ul>	Finance the purchase of stock shares in commodity processing business	<ul style="list-style-type: none"> <li>2% fixed interest rate</li> <li>1-8 year terms</li> </ul>	RFA: \$50 application fee	<ul style="list-style-type: none"> <li>Producer must grow the ag product which is to be processed by an agricultural product processing facility</li> <li>Have a total net worth of less than \$464,555 (indexed for inflation), including the assets and liabilities of spouse and dependents</li> <li>Security value must be 150% of total loan amount</li> </ul>
<b>Methane Digester Loan Program</b> <a href="http://www.mda.state.mn.us/grants/loans/digester.aspx">www.mda.state.mn.us/grants/loans/digester.aspx</a>	<ul style="list-style-type: none"> <li>\$250,000</li> </ul>	Finance the purchase and construction of a system designed to produce electricity from manure May be used as match for Federal loan/grant	<ul style="list-style-type: none"> <li>0% interest rate</li> <li>1-10 year terms</li> </ul>	\$100 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Provide evidence that the practices implemented and capital assets purchased will be properly managed and maintained</li> <li>Have not previously received a loan under this program</li> </ul>
<b>Farm Opportunity Loan Program</b> <a href="http://www.mda.state.mn.us/grants/loans/farmopploan.aspx">www.mda.state.mn.us/grants/loans/farmopploan.aspx</a>	<ul style="list-style-type: none"> <li>45% of the principal amount up to \$45,000 per individual;</li> <li>45% of the principal amount up to \$180,000 per group</li> </ul>	Finance machinery or equipment to add value to crops or livestock; adopt best management practices; reduce or improve management of ag inputs resulting in environmental improvements; or increase production of on-farm energy (no refinancing)	<ul style="list-style-type: none"> <li>2% fixed interest rate for 10 years</li> </ul>	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none"> <li>Must farm unit and farm full-time</li> <li>Show financial need and ability to repay loan</li> </ul>
<b>RFA Beginning Farmer/Aggie Bond</b> <a href="http://www.mda.state.mn.us/grants/loans/aggiebond.aspx">www.mda.state.mn.us/grants/loans/aggiebond.aspx</a>	<ul style="list-style-type: none"> <li>\$533,500 max loan</li> <li>\$250,000 for new depreciable property</li> <li>\$62,500 max for used depreciable asset</li> </ul>	Purchase of farmland, buildings, new or used depreciable ag property such as breeding livestock, dairy livestock, and machinery	<ul style="list-style-type: none"> <li>Reduced interest rate for buyer and tax benefit for lender</li> </ul>	RFA: \$50 application fee (non-refundable)  1.50% origination fee	<ul style="list-style-type: none"> <li>Net worth less than \$816,800</li> <li>Never have owned more than 30% of county median sized farm</li> <li>Agree to enroll in farm business management program and consult with local Soil and Water Conservation District</li> </ul>