

FAQ - Down Payment Assistance Grant

Frequently Asked Questions

Answers refer to the grant cycle taking place between January 4 and June 30, 2023. For additional questions or clarifications contact: Jenny.Heck@state.mn.us, 651-201-6316

Request for Applications with more program information available at: <https://www.mda.state.mn.us/down-payment-assistance-grant-program>

If I already purchased farmland, can I use this grant retroactively for my recent purchase?

No. The grant is designed to facilitate new purchases. Eligible purchases must close within 90 days after a grant application is approved.

If I own farmland or other agricultural property that isn't currently in production, am I eligible to apply for this grant to purchase new farmland?

No. Even if the farmland you own is not in production or a small acreage, if it is zoned for agricultural use or has tillable acres, you are not eligible for this grant because it is not your first-time owning farmland. You can contact your county to find details about your property's land-use classifications.

If I own land that is in the USDA Conservation Reserve Program (CRP), am I eligible?

If you did not own the land while it was in agricultural production, your eligibility will be considered on a case-by-case basis dependent on the details of your CRP contract. Contact RFA to review.

Can this grant be used to purchase farmland in CRP?

If you intend to farm the land for the next 5 years, we will consider CRP contracts on a case-by-case basis. Contact us at RFA.Loans@state.mn.us or 651-201-6316 to review.

Am I required to have farming experience or provide a Schedule F federal tax filing?

No. However, if you do not have a Schedule F federal tax filing, we may ask to review your Form 1040 federal tax filing or other relevant tax documents to prove program eligibility.

Can I use this grant as part of the cash required for a Farm Service Agency (FSA) or bank loan?

Assuming there are no additional conditions from your lending institutions, yes. We will issue an approval letter for grantees to share with their lenders, and we will make grant funds available before the sale closes to be used as all or part of a cash down payment. Lenders may require additional information, such as a copy of your grant application, if you do not have sufficient cash without the grant award.

Can I purchase farmland from a family member with this grant?

Yes. There are no restrictions on buying farmland from a family member with the grant.

If I am purchasing farmland with a sibling or other individual, would we be eligible?

The individual on the application must be the only buyer. You could consider splitting the sale so there is only one buyer for each parcel. If the sale is split, both individuals would be eligible to apply. Married couples purchasing farmland together are eligible and can only submit one application.

Are LLCs eligible to apply if they are a single-member LLC?

No. The way the grant statute is written, only “individuals” are eligible. Farms that aren’t structured as individual sole proprietors (including LLCs with only one member or a married couple as the only members) must apply and purchase the land as individuals not as the business entity.

Are contracts for deed eligible for this grant?

Yes. A farmer may use this grant if they are purchasing farmland with a contract for deed. Instead of a settlement statement, we will require a copy of the notarized contract for deed.

Who is available to help me complete my application?

Below is a list of professionals who have identified themselves as willing to help farmers with their application, provided as a service to those in need of assistance. The MDA is not responsible for the actions of and does not endorse any of these entities. If you would like to be added to this list, please contact Jenny.heck@state.mn.us.

Name & Contact	Agency	Region	Specialty
Brian Boomgaarden Brian.boomgaarden@mnwest.edu, 507-825-6829	Minnesota West Community & Technical College	SW Minnesota	Farm business management
Mike Dierks Mike.dierks@mnwest.edu, 507-372-3427	Minnesota West Technical & Community College	SW Minnesota	Farm business management
Erik Heimark Erick.heimark@clcmn.edu, 218-232-1303	Central Lakes College	Statewide	Specialty crops, direct marketing, farm business management
Kyle Huneke Kyle.huneke@riverland.edu, 507-438-4924	Riverland Community College	Statewide	Specialty crops, direct marketing, farm business management
Land Access Navigators Katiekub0908@gmail.com, 651-528-0608 (Multiple navigators available. Contact Katie with info above to be matched with someone who has capacity and meets your language needs)	Renewing the Countryside	Statewide	Specialty crops, direct marketing Support in Hmong, Spanish and Swahili languages available.
Ryan Pesch pesch@umn.edu, 218-770-4398	Extension	Statewide	Specialty crops, direct marketing, farm business management

Name & Contact	Agency	Region	Specialty
Denise Reeser Denise.reeser@southcentral.edu; 218-330-7355	South Central College	Southern Minnesota	Farm business management
Jim Velde James.velde@clcmn.edu, 218-234-3981	Central Lakes College	NW Minnesota	Farm business management

Additional sources of technical assistance to consider reaching out to:

- Bank loan officer
- [Farm Business Management Instructor](#)
- [Farm Service Agency \(FSA\)](#)
- [University of Minnesota Extension](#)

What other land access resources are available?

Below are links to Minnesota Department of Agriculture’s additional resources for accessing farmland.

- [Minnesota Department of Agriculture FarmLink](#), connecting farm buyers and sellers
- [Rural Finance Authority Farm Loans](#), low-interest financing
- [Rural Finance Authority Beginning Farmer Tax Credit](#), state tax credit for selling or leasing to beginning farmers

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.