

DIRT

A QUARTERLY NEWSLETTER BY DAKOTA MAC

April 2021

START TO FINISH - ALL ABOARD!

Dakota MAC has a strategic initiative to refine the number of days it takes to close a loan. We are taking a deeper look at all steps or stops along the way to ensure we are providing you the best service.

We will accomplish this by: 1) Educating our clients; 2) Leveraging technology; 3) Partnering with investors, appraisers, attorneys, title companies, etc. and; 4) Continuing to hire and train talented employees in Dakota MAC.

By refining and potentially reducing the number of days, we do not plan to “cut corners” or pressure you to make decisions faster than you should. When you are ready, we are ready.

Ag real estate financing is pretty simple, for the most part, but I think some of the finer details can get lost, hidden, or underappreciated. For example, the more prepared a client is, the faster the process will be. And we all know time is money.

Incomplete documentation is the biggest reason for delays, whether it is during the application phase or uncovered right before the closing. There are many components to being prepared, but a big part is knowing your operation, and more specifically, your ownership structure. Another key component is to communicate where you have been, but also where you are going. You may be saying to yourself, I just want a loan; I don't want to tell you my life story. Rest assured, we are asking because it is important and critical to making a credit decision and closing your loan. Another underappreciated detail that can be missed or forgotten is the legal description for the land offered as collateral. Let's see, was that the W ½ or the E ½ of the SW ¼? Is that the ground held in a trust?

I mentioned our investors above, and I am amazed at how innovative they are and how they leverage technology and data to make accurate and quick

BY JEFF WOLFGRAM
DAKOTA MAC MANAGER
& SENIOR VICE PRESIDENT



credit decisions. When I started in 1995, regardless of the loan amount, the documentation requirements were the same.

I can still remember working and agonizing on requests for \$50,000 or even less and waiting on every last detail imaginable before submitting. Every request needed not only a current financial statement but also historical financial statements, multiple tax returns, and much more. On average, it took us two to three weeks to get a credit decision.

Now we have the ability, for certain applications, to approve loans up to \$2,500,000 with a complete application, a current financial statement, and a couple of tax returns, in 24-48 hours. This option and other scorecard underwriting are done with you in mind to provide great convenience for you and for us.

Originating a Dakota MAC loan is like riding a train from stop to stop, with the ultimate goal to get from Point A to Point B. I have broken it down into five different stops, along with some tips and even traveler thought bubbles.

- Stop One - Complete application and all documentation requirements - *Did I bring the tickets?...Did I pack the right clothes?...and most importantly, did I bring enough snacks for the trip?*
 - › This is the time when some people want to rush, move to the next stop of obtaining a credit decision, but this is actually the best time to **slow down** and make sure you have covered everything with your Loan Production Officer. If you do this, it will save you time in the long run.
- Stop Two - Credit decision - *Are we there yet?*
 - › Dakota MAC provides a clear and concise approval letter explaining where we are, along with the necessary steps to close the loan. We also look for a commitment from the prospective client so that we can order a title commitment and appraisal.



- Stop Three - Wait for title insurance and appraisal - *time for a short nap and relaxation.*
 - › Did you know Dakota MAC has three appraisers, and we work with over 20 contract appraisers and over 100 title companies?
 - › We are also exploring ways to use evaluations for certain transactions, which saves you time and money.
- Stop Four - Review title commitment and appraisal - *We'll be arriving soon. I better message my relatives or they will forget to pick me up.*
 - › Our dedicated staff will work with you and your LPO to review the title work, resolve any issues, rate lock the loan, and then schedule a closing.
- Stop Five - Close and fund the loan - *Wow, that was a smooth ride with no surprises.*
 - › The ride doesn't stop here; we look forward to many years of working with you and servicing your loan. Shortly after your closing, you will receive your closing packet with your promissory note, mortgage or deed of trust, other loan closing documents, and servicing details.

During this "ride," we will keep you fully informed of the progress, and if there is an obstacle, we will work with you to resolve it.

So why is this important? The world of Ag finance can get crowded some days, with many companies wanting your valued business to gain market share, especially now that Ag economics look more favorable.

One of the ways Dakota MAC continues to differentiate ourselves is with our great long-term fixed rates, along with our delivery and execution of services. Great rates are exactly that - great, but only if accompanied by extraordinary service. Having one

or the other isn't good enough for us, and it shouldn't be good enough for you.

The renewed optimism around Agriculture is a good thing; actually a great thing. We have been busy not only processing Ag real estate loans but also PPP (Paycheck Protection Program) loans for our clients. The stimulus package, along with higher commodity prices, has given our clients a much-needed boost.

In closing, a special friend and colleague of mine, Paul DeBriyn, passed away in February. He had a distinct impact on me and on Dakota MAC. We wouldn't be what we are today as a company without his influence. In his retirement, I would only see him once a year at our Dakota MAC pheasant hunt, but I always looked forward to our visit, and I will miss him.

Paul was a "Man of 3's". For example, when he would give a speech, he would always mention three topics, three people, or three stories; nothing more and nothing less. Due to Covid-19, I was unable to attend his funeral in person, so I thought I would come up with my own "3's" in memory of him and what he taught me.

Here we go:

1. Be able to combine confidence and humility; always be proud of who you are, but not so much that you can't let your guard down, admit you are wrong and accept your fragility and vulnerability.
2. Have fun in life and enjoy the little things - if you shed a tear, do it out of joy and appreciation or because the memory or story is so darn good it brought you to tears. Laugh and smile!
3. Surround yourself with positive, optimistic, and honest people - people who share not only what you want to hear, but what you need to hear.

Until the next DIRT.

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DUCKS IN A ROW!



BY ERICA FOXHOVEN
DAKOTA MAC CLOSING MANAGER

I've always enjoyed this time of year. Springtime provides a great display of renewal — whether the grass is turning green, crops are being planted, or new life being born. Lately, every time I walk into

Bomgaars, we make a trip to the back of the store to see the baby chickens and ducks. The kids keep begging me to add ducks to our collection, but I don't think I could "keep them in a row."

Speaking of which, are your ducks in a row? As you apply for a Dakota MAC loan, it's important to disclose whether or not you have a trust. If your land is held in your trust, we may ask if you intend to include your trust as a borrower.

Part of my role as Dakota MAC's Closing Manager is to review loan files prior to closing. This includes reviewing trust documents for Dakota MAC to ensure the trust is acting in the appropriate capacity. Your Loan Production Officer will ask you for your most recent certificate of trust during the review phase. This particular document is crucial for the closing staff as they prepare your loan documents. It tells us the name of the trust, who the trustees are, whether the trust has been revoked and if the trust is subject to your state's codified law. For the actual day of closing, your attorney will need to prepare a new certificate of trust, which includes the legal description of the mortgage or deed of trust.

Having these supporting documents upfront in the loan process will help to shorten the timeframe it takes to close your loan. We are always here to help and glad to answer questions you may have. Happy spring and keep those ducks in a row!

QUICK DELIVERY



BY NICK RENNAU
LOAN PRODUCTION OFFICER

As I am contributing my first article to this edition of our newsletter, I am starting my sixth month as a Dakota MAC Loan Production Officer. In those six months, I have gained a strong understanding of

the everyday demands, product offerings, and what differentiates Dakota MAC from other lenders. I can sincerely say I am proud to be part of this team.

Jeff Wolfgram makes it a monthly priority to meet with each of the Dakota MAC Loan Production Officers individually. At the end of our last meeting, Jeff asked what I missed most about my previous job as an Agronomic Inputs Salesperson. I told him it was the ability to get a product delivered quickly. In reading Jeff's article before this one, you will note that new technologies allow Dakota MAC to deliver loans quickly. Nothing brings me more satisfaction than delivering a solution or product quickly, efficiently, and effectively.

The marketplace is becoming more specialized, from seed planting to grain delivery outlets to long-term fixed rate financing options. Producers are making a concerted effort to work with trusted advisors to ensure proper decision making. While sectors are getting more specialized it seems to me that there is a new sense of comradery between all Ag industries. Dakota MAC definitely has an important place in your operation. Give me or any of our Loan Production Officers a call to learn more.

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Rates good through April 30, 2021. Subject to change.

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