



UNDERWRITING GRID

For Ag Real Estate - NonFacility loans

Please feel free to contact us at 800-682-4578 for rate quotes or with questions.

Criteria	OTS			Full Underwrite		
	Stand alone collateral or shared collateral			Ag Dependent	Non-Ag Dependent	RLOC
CDRC - repayment ability	Info from app is considered - depends on credit	Info from app is considered - depends on credit	Info from app is considered - depends on credit	≥ 125%	≥ 125%	≥ 125%
Proforma Current Ratio	NA	NA	NA	≥ 1.25	≥ 1.25	≥ 1.25
Property Debt Coverage	NA	NA	NA	see below ⁴		
Proforma Owner's Equity	≥ 50% typically, but possibly down to ≥ 40%	≥ 50% typically, but possibly down to ≥ 40%	≥ 50%	≥ 50%	≥ 40%	≥ 50%
Minimum Loan Size	\$50,000	\$500,001	\$2,500,001	\$50,000	\$50,000	\$100,000
Maximum Loan Size	\$500,000	\$2,500,000	\$4,000,000	Each request will be reviewed to determine maximum.	Each request will be reviewed to determine maximum.	
Maximum LTV	75%	65%	55%	65%	75% ³	50%
Improvement value must be less than ___ of appraised value:	Typically 50%, limits may apply for highly improved, and the term/am may be tied to Remaining Economic Life of the improvements			Typical 50-60% (each request will be reviewed for final determination)		Improvements (exc. Irrig) will not be counted toward LTV calculation
Minimum Credit Score	About 700+ for one borrower (see below) ¹			Typical 700+		
Term in Years	up to 30 years			up to 30 yrs		up to 30 yrs ⁶
Amortization	up to 30 yrs (no balloons)			up to 30 yrs (no balloons)		up to 25 yrs ⁶
Cashout Limitation ²	No cash out limitation up to \$1.0Million TLO at AA. Cash-out requests over \$1.0Million are limited to 25% of transaction.			Any use of funds limitations will be determined once farming status is identified.		
Other	Evaluations are available for loans up to a cumulative \$1,000,000 at AA with minimal improvements. These are completed by FD and we need adequate comparables to prepare it (so not all may be eligible).					
	¹ Credit bureau <u>does not</u> need to be provided with OTS ~ it will be pulled upon submission to us. If any recent late pays or judgements, collections, bankruptcy, etc (even if paid), we may need to consider other options. Below 700 score has lower chance of approval.			⁴ PDC can be very important to understand the property's ability to service debt, and may apply to some requests. While the target is typically ≥ 0.80%, there may be exceptions made by the investor, and each request will be reviewed on a case-by-case basis.		
	² Cashout for AA is considered any non-RE debt. OTS is not intended for struggling operations normally.			³ The LTV up to 75% is primarily available for Non-Ag Dependent producers. Please inquire for details.		Projection must show RLOC repmt over max 20 yr
	* Maximum loan amount of \$4.0 million per borrower (cumulative).					⁶ Term = Revolving draw period + amortization
	** Scored individuals must sign the Promissory Note individually as a primary borrower or co-maker. This includes entity loans.					
Items needed for approval:	Completed & signed application/authorization			Completed & signed application/authorization		
	¹ Notify us who should be the lead borrower (1 individual) with the best credit bureau; provide UCC searches also			Credit bureaus & UCC searches should be provided to us		
	Recent balance sheet (within 18 mos)			Current balance sheet w/ verifications & proforma		
	Brief understanding of request			Full narrative		
	Most recent tax return			Most recent 3 yrs tax returns w/ current wage verifications		
				Most recent 4 year-end bal sheets (plus current balance sheet)		
				Projected income/expense statement		



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Criteria	AgXpress - choice pricing	AgXpress - standard pricing	Fast Track - choice pricing	Full Underwrite							
				Row crop & cow/calf		AgAssist	RLOC				
				Standard pricing	Choice pricing	Standard pricing	Standard pricing				
Proforma TDC - repmt	Info from app is considered - depends on credit		≥ 1.00 ⁷	≥ 1.25 for 60% LTV OR ≥ 1.50 for 70% LTV	≥ 1.50	≥ 1.10	≥ 1.35 after rate shock				
Proforma Current Ratio	NA		≥ 1.00	≥ 1.25	≥ 1.50	≥ 1.00	≥ 1.25				
Property Debt Coverage	NA		NA	see below ¹⁰							
Proforma Owner's Equity	≥ 50% typically, but possibly down to ≥ 40%		≥ 60%	≥ 50%	≥ 60%	≥ 40%	≥ 50%				
Minimum Loan Size	\$1		\$1	\$1	\$1	\$1	\$100,000				
Maximum Loan Size	\$3,000,000	\$3,000,000	\$3,000,000	Depends on acres & borrowers cumulative balance (ranges from \$12.6 million to \$50 million)							
Maximum LTV	55% of bare land value + ltd improv (see details below) ⁸	65% of bare land value + ltd improv (see details below) ⁸	55%	60% LTV when TDC > 1.25 OR 70% LTV when TDC > 1.50	60%	45% LTV with FMAC; combined up to 85%	50%				
Improvement value must be less than ___ of appraised value:	See details below ⁸		40%	60%	60%	40-60%; will depend on situation	Improvements (exc. Irrig) will not be counted toward LTV calculation				
Minimum Credit Score	about 700-720 for all borrowers ⁹		720 for all borrowers	680 for all borrowers							
Term in Years	up to 30 yrs		up to 30 yrs	up to 30 yrs	up to 30 yrs	up to 30 yrs	up to 30 yrs ⁶				
Amortization	up to 30 yrs (some balloons available)		up to 30 yrs (some balloons available)	up to 30 years (some balloons possible)	up to 30 yrs (some balloons possible)		up to 25 yrs ⁶				
Cashout Limitation	No limitation on use of funds		No limitation on use of funds	≤ 10% ¹¹		No limitation on use of funds	Funds must be used for Ag or Business purpose				
Other	Evaluations are available for loans up to a cumulative \$1,000,000 at FMAC with minimal improvements. These are completed by FD and we need adequate comparables to prepare it (so not all may be eligible).										
	⁸ The LTV calculation will be based off of the bare land value for AgXpress, + irrigation items, + homes up to \$750K, and + other ag improvements up to 25% of total appraised value.		⁷ Proforma payments are applied to the historical 2-year average cash available to calculate TDC.	¹¹ FMAC has re-defined cashout to be non-business items, non-business debt, closing costs and cash going directly to the borrower. Existing business debts (oper. Loans, eqmt loans etc.) are not considered part of the cashout as of 8-1-18. If more than 10% cashout is requested, the max LTV is 60% and max 15 yr amortization.			1st lien with FMAC, with 2nd lien required by FSA/govt agency	Projection must show RLOC repmt over term of loan			
	⁹ Credit bureau does not need to be provided with AgXpress ~ it will be pulled upon submission to us. If any recent late pays or judgements, collections, bankruptcy, etc (even if paid), we may need to consider other options.							2nd lien loan must constitute ≥ 25% of the gross loan balance	⁶ Term = Revolving draw period + amortization		
	Cross-Collateralization may be allowed.										
	Owner(s) of the land must be borrowers.										
	Payment Frequency: Must be Semi-Annual, Quarterly or Monthly.										
Max aggregate AgXpress exposure: \$3,000,000; Max aggregate FMAC exposure: \$6,000,000											
¹⁰ PDC can be very important to understand the property's ability to service debt, though it is not required. If PDC is very good, it may be considered as an enhancement, and each request will be reviewed on a case-by-case basis.											
Items needed for approval:	Completed & signed application/authorization	Completed & signed application/authorization	Completed & signed application/authorization								
	UCC Searches should be provided to us	Credit bureau & UCC searches should be provided to us (dated within 90 days of submission)	Credit bureaus & UCC searches should be provided to us (dated within 90 days of submission)								
	Recent balance sheet (within 90-120 days)	Current balance sheet w/ verifications, dated within 90 days of submission, and proforma balance sheet	Current balance sheet w/ verifications, dated within 90 days of submission typically, and proforma balance sheet								
	Brief understanding of request	Brief narrative	Full narrative								
	For loans up to \$1.5MM, most recent tax return. For loans up to \$3.0MM, 2 yrs most recent tax returns	Most recent 2 yrs tax returns w/ recent wage verifications	Most recent 3 yrs tax returns w/ current wage verifications								
			Most recent 4 year-end bal sheets (plus current balance sheet noted above)								
			Projected income/expense statement								
Additional details, comments, records, etc., may be requested to understand & support the historical and/or projected data.											