

ETERNAL OPTIMIST

Happy New Year. Is it really 2020? It seems like yesterday when everyone was preparing for the year 2000 or Y2K and the end of civilization, according to some. The first DIRT of each year is typically reserved for the year-end recap and projections or goals for the upcoming year. This one will contain some of the same, but first I'd like to share something that has been on my mind. Overall, I'd consider myself an optimistic person; I am thankful for the many blessings in my life, and I certainly consider myself a "half-full" person compared to "half-empty." A recent experience with my 11 year old daughter had me question my optimism and whether or not I had turned negative or pessimistic.

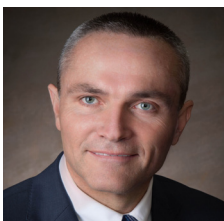
I'll admit I am one of those parents who spends my weekends in a gym somewhere cheering on the next LeBron James or Macy Miller. I think athletics can be a positive influence on our lives, and many of my greatest life lessons have been taught on a court or field. My youngest of three children is now starting to play competitive basketball. Prior to the first tournament, there was a feeling of anxiousness, competitiveness, and restlessness, not only with the players, but also with the parents! I reminded my daughter to do her best, and we will be proud of her, regardless of the outcome.

The tournament consisted of five games; you play the other four teams in the tournament and then the best records square off for the championship. The tournament got off to a rocky start, and let's just say the rocks rapidly turned into boulders. Single digit losses quickly turned into double digits, running clocks to keep the deficit in check, more turnovers than points, opposing coaches requiring a certain number of passes before scoring, and "WHY DID I SIGN HER UP FOR THIS??" thoughts from the parents.

I had to prepare myself for the ride home and the unconditional support I promised my daughter prior to the tournament. What if she wants to quit and never play again? After a moment of silence in the car, I thought it was time to start the conversation. I said, "Good job honey, I'm really proud of the way you continued to fight out there and not give up." The silence that followed seemed like an eternity and then the shocking response from her followed. She said, "That was fun, and I really think with hard work and better shooting, we can beat that team." If the first period of silence was an eternity, then the one that followed her response was longer, although I didn't think that was possible. Thank goodness she was in the backseat and couldn't see my facial expressions of "Are you kidding me, you couldn't beat that team if you played them a hundred times." Instead, I simply stared at the road, bewildered at what I just heard before I prepared my response.

The conversation has really stuck with me and as I prepare for 2020, it has me reminding myself the importance of remaining thankful, optimistic, and committed to our management, investors, co-workers, and clients. There are many reasons I am thankful for being involved in financing agriculture, but one of the main ones is the resiliency, optimism, and work ethic that our clients live every day. 2019 was a tough year in a lot of aspects; the challenges with the weather, political unrest, and market instability are just a few variables that created stress and anxiety for many.

I realize there is a difference between youth sports and multi-generation family businesses that are tirelessly trying to rebrand themselves in an effort to remain viable. I also understand there is a fine line between being an eternal optimist and being realistic. Being an eternal optimist is great; however, it has to come not only with a plan, but a commitment to implement the plan.



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A DIVISION OF FIRST DAKOTA NATIONAL BANK



2019 was filled with many successes for Dakota MAC. First off, Dakota MAC was able to originate over \$100 Million in new loans for the first time since 2016. Our Dakota MAC managed assets of \$550 Million continues to perform with low levels of delinquencies. Interest rates reached all-time low levels in 2019, which provided an avenue for clients to reprice (see Stephanie's article) or refinance debt and lower their payments and interest cost. Our conduit loan program has been revitalized and has led to numerous loan originations in the Midwest.

2020 will have many strategic priorities for our company that I won't list here, but two that are keenly on my mind are the client experience and our delivery of services. I think back to Y2K again and what was valued by our clients and how our services were delivered. Many of the cornerstones of sound lending will continue to reign; however, our means and diversification on how we deliver credit will need to be further refined. Such things as electronic signatures on documents, access to accounts 24/7, and expedited approvals and closings will continue to be big differentiators for lenders.

In closing, my advice to you in 2020 is similar to what I said to my daughter at the end of her tournament. First of all, PERFECTION is NOT the goal in basketball, business, or life; continue to recognize failures as a way to grow. Never give up and don't try to do this on your own. Continue to surround yourself with positive influencers and be a positive influence on others. Thank you for reminding me the importance of maintaining an optimistic attitude in the present and future.

Happy New Year and keep digging deeper. Until the next DIRT. Jeff

CONVERSIONS

BY: STEPHANIE SIEBRANDT

DAKOTA MAC SPECIAL PROJECTS AND SERVICING

It is a great time to be a part of Dakota MAC. We saw lower interest rates this fall and have tried to pass these lower rates on to our clients through conversions. A conversion allows a loan to reprice at a lower interest rate without refinancing with a new loan. The interest rate changes, payments change, and sometimes the product changes. The maturity and amortization of the loan stays the same. It is advantageous because we do not need a new appraisal or title work for the collateral, allowing for reduced fees.

The end result: a win-win situation for the client and Dakota MAC. The client receives a lower rate without all the fees and time involved with refinancing. Dakota MAC retains the client. To those who have converted the interest rate on their loan, congratulations! We are proud to be able to offer this service to you and grateful for your continued business.

If you were not contacted about a possible conversion, don't worry! Conversions do not make sense for everyone. Many of our loans already have low interest rates, and some of our loans are not eligible. While talking with their Banker or Loan Production Officer, some even decided a refinance was the best option to allow for additional funds or further restructuring.

No matter which option you've chosen, please know that Dakota MAC is always here to answer your questions and help meet your financial needs.

AGRIVISIONS[®] 2020

Seeing the Whole Picture

featuring Randy Blach - CattleFax

WEDNESDAY, FEBRUARY 12, 2020
Yankton, SD - Best Western Kelly Inn

7:00PM Randy Blach
Ice cream social following

THURSDAY, FEBRUARY 13, 2020
Pierre, SD - Drifters - Fort Pierre

10:00AM Randy Blach
Lunch served at 12:00PM

THURSDAY, FEBRUARY 13, 2020
Mitchell, SD - Mitchell Tech Technology Center

7:00PM Randy Blach
Ice cream social following

OUR LPO TEAM



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