

## Farmer Mac Farm and Ranch Loans Guidelines

	Full Underwrite								
	Fast Track	Seasoned Refinance of Farmer Mac Loan	Standard Pricing	Choice Pricing	Cow/Calf Ranch Loans	FM AgEquity	FM AgAssist	Lifestyle Ranch	Timber
TDC - Proforma Total Debt Coverage	≥ 1.00X <sup>①</sup>	N/A	≥ 1.25X <sup>①</sup>	≥ 1.50X	≥ 1.25	≥ 1.35	≥ 1.10	<sup>①</sup>	≥ 1.25
CR - Proforma Current Ratio	≥ 1.00X	N/A	≥ 1.25X	≥ 1.50X	≥ 1.25	≥ 1.25	≥ 1.00	≥ 1.00	≥ 1.25
DA - Leverage: Proforma Debt/Asset	≤ 40%	N/A	≤ 50%	≤ 40%	≤ 50%	≤ 50%	≤ 60%	≤ 55%	≤ 50%
Loan Size	Up to \$1MM	≤ 1000 ac: \$50MM. > 1000 ac: \$12.3MM	< 1000ac--\$50MM >1000ac-\$12.3MM	< 1000ac--\$50MM >1000ac-\$12.3MM	≤1000ac-\$50MM, >1000ac-\$12.3MM	\$50,000-\$12.3MM	Max as allowed by state/federal program <sup>①</sup>	≤ \$3MM	≤1000ac-\$50MM, >1000ac-\$12.3MM
Max LTV	≤ 55%	≤ 60%	<\$5MM; 70% >\$5MM; 60% <sup>②</sup>	≤ 60%	≤ 60%	≤ 50% <sup>①</sup>	≤ 45%	≤ 70% <sup>②</sup>	≤\$5MM-70%, >\$5MM-60% <sup>①</sup>
Maximum contributory value of ag producing structures (primary dwelling not included) of total property value	40%	60%	60%	60%	60%	N/A	N/A	Dwelling and all improvements ≤25% of total value	60%
Aggregate Borrower Exposure	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM
Credit Score	≥ 720	N/A	≥ 680	≥ 680	≥ 680	≥ 680	≥ 660	≥ 700	≥ 680
Combined LTV (all property debt/asset value)	N/A	N/A	N/A	N/A	N/A	N/A	85%	N/A	N/A
Term (in Years)	7, 10, 15, 20, 25 or 30	7,10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20 or 30	<sup>②</sup>	10,15,20,25 or 30	10,15,20,25 or 30	10,15,20,30
Ag Product Purchase Contract Required	No	No	No	No	No	No	No	No	Yes <sup>②</sup>
Amortization (in Years)	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30 <sup>①</sup>	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10,15,20,25 or 30	10,15,20,25 or 30	10,15,20,25 or 30	10,15,20,25,30
Cashout Limitation	None	≤ 5% only for closing fees	≤ 25% <sup>③</sup>	≤ 25% <sup>①</sup>	< 25%	N/A	N/A	≤ 5% only for closing fees	≤ 5% only for closing fees
Permanent Planting Loan Security	Yes	N/A	Yes	Yes	N/A	N/A	N/A	N/A	Yes
Other	<sup>①</sup> Operation must demonstrate that it is viable with a 1:1 total debt coverage for past two year's of tax returns.	Loan must have originated 5 years prior to FM purchase date and have no 30+ late pays in past 3 years. There must have been no material loan modification since original loan date. New environmental disclosure required. <sup>①</sup> Amortization can be extended beyond existing loan if remaining economic life of improvements & plantings justify extension.	<sup>①</sup> Loans with LTV of 60-70% TDC must be 1.50+ with no exceptions to proforma DA and CR standards. <sup>②</sup> Maximum LTV = 60% for loans in: ND, SD, MN, IA, OH, MO, and NE. <sup>③</sup> Unlimited cashout if amortization is 15 years or less and LTV is less than 60% with compensating strengths	<sup>①</sup> Unlimited cashout if amortization is 15 years or less and LTV is less than 60% with compensating strengths	It is recommended that appraisals be completed with a market analysis on an Animal Unit (AU) year round capacity basis. Federal and State grazing leases, that constitute an integral part of the ranching unit will be required.	<sup>①</sup> Value of all improvements, residences, perm plantings will be deducted from appraisal in LTV calc. Must have 1st Mtg. <sup>②</sup> 5 yr draw= 20,25,30 yr term. 10 yr draw=20 25, 30 yr. Amort for 5 yr draw= 15-25 yr & 10 yr draw=10-20 yr. Semi annual int pmts & \$2,500 min draw for ag or business purposes only	<sup>①</sup> State/fed program exposure ≥25% gross loan. AgAssist has FM Farm and Ranch Full-Time Farm loan with sponsored junior loan that acts as credit enhancement. Loan approval is contingent on state or fed program 2nd mtg being in place at time of FM closing.	<sup>①</sup> TDC is calculated by annual debt pmts/gross inc. Max 39%. <sup>②</sup> Max LTV = 60% for loans in: ND, SD, MN, IA, OH, MO, and NE. Highest and best use must not include land sub or commercial dev. imp. Full inc. documents 3 yrs tax return, most recent wage statement. Ranch prop ≥ 60ac.	<sup>①</sup> If LTV > 60%, TDC and current ratios ≥ 1.50x <sup>②</sup> Must have production contract assigned to FM and multiple sales outlets for products.

PLEASE NOTE, THIS UNDERWRITING GRID IS FOR REFERENCE PURPOSES ONLY.

### Farmer Mac Facility Loans Guidelines

	Poultry	Swine	Cattle Feedlot	Agribusiness & Other Production Facility Loans	Dairy
TDC - Proforma Total Debt Coverage	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.35	≥ 1.35
CR - Proforma Current Ratio	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25
DA - Leverage: Proforma Debt/Asset	≤ 65%	≤ 60%	≤ 50%	≤ 70%	≤ 50%
Loan Size	≤ 1000ac-\$50MM, > 1000ac-\$12.3MM	≤ 1000ac-\$50MM, > 1000ac-\$12.3MM	≤ 1000ac-\$50MM, > 1000ac-\$12.3MM	≤ 1000ac-\$50MM, > 1000ac-\$12.3MM <sup>①</sup>	≤ 1000ac-\$50MM, > 1000ac-\$12.3MM
LTV	N/A	N/A	①	≤ 60%	①
Maximum contributory value of ag producing structures (primary dwelling not included) of total property value	≥ 60%	≥ 60%	②	N/A	N/A
LTV - New Facilities	≤ 75%	≤ 75%	N/A	N/A	N/A
LTV - Existing Facilities	≤ 65%	≤ 70%	N/A	N/A	N/A
Aggregate Borrower Exposure	\$50MM	\$50MM	\$50MM	\$50MM	\$50MM
Credit Score	≥ 680	≥ 680	≥ 680	≥ 680 <sup>②</sup>	≥ 680
Combined LTV (all property debt/AV)	≤ 90% <sup>①</sup>	≤ 90% <sup>①</sup>	N/A	N/A	≤ 90% <sup>②</sup>
Term (in Years)	10-existing; 15-new	10-existing; 15-new	10, 15, 20, 25, 30	5-15	10-15
Purchase Contract required	Yes <sup>②</sup>	Yes <sup>②</sup>	No	No	Yes
Amortization (in Years)	10-existing; 15 new	10 or 15	10, 15, 20, 25, 30	15	10 or 15
Cashout Limitation	≤ 5% only for closing fees	≤ 5% only for closing fees	≤ 5% only for closing fees	≤ 5% only for closing fees	≤ 5% only for closing fees
Other	<p>① Subordinate debt for new construction is allowed.</p> <p>② Borrower must have a production contract with processor insuring occupancy or use of the facility as an integrator. Contract must be standard to industry with payments assigned to FM. Operation must conform to all environmental rules and regulations. Manure easement may be needed. Contract finishing operations must have multiple integrators available.</p>	<p>① Subordinate debt for new construction is allowed.</p> <p>② Borrower must have a production contract with processor or producer for entire term of loan with take out or pay provisions for product or pig space. Contract must be standard to industry with payments assigned to FM. Operation must conform to all environmental rules and regulations. Manure easement may be needed. Contract finishing operations must have multiple integrators available.</p>	<p>① ≤ \$5MM loan; &gt; 65% LTV. Loan &gt; \$5MM; ≤ 60% LTV. LTV max of 60% for loans in ND, SD, MN, IA, IL, IN, OH, MO, &amp; NE. For loans with LTV &gt; 60%, TDC and current ratio must be ≥ 1.50x.</p> <p>② Max loan maturity is 20 yrs when improvement value exceeds 60% of total value and 30 years when improvement value is under 60%. For feedlots with operating debt, FM requires the Seller be the feedlot's operating lender.</p>	<p>① For loans over \$5MM, must have review quality financials. Services of business or facility are used toward physical transformation or storage of farm products.</p> <p>② Also must have Paydex or commercial credit report reviewed.</p>	<p>① ≤ \$5MM loan; &gt; 65% LTV. Loan &gt; \$5MM; ≤ 60% LTV.</p> <p>② Subordinate liens for new construction are allowed at closing as long as total loans are less than 90%.</p>

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