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DEVELOP A BUSINESS PLAN

Work with a farm business planner to define farm goals, financial goals, and personal goals.

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DO YOU NEED A LOAN?

Talk to lenders about your borrowing capacity.

Determine your risk tolerance and what you can afford.

Include debt repayment in your cash flow projections

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THE FARM SEARCH

Do your due diligence!

Research water resources, production history, and existing easements, permits and leases associated with the property

Do your farm goals fit the land base, current infrastructure, and proximity to markets?

Obtain soil and survey maps

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YOU FOUND YOUR DREAM FARM!

Purchase and Sale Agreement is drafted and signed

The PSA records the agreed purchase price, deadline to secure financing, other contingency clauses, and closing date.

You and the seller obtain separate legal counsel to draft and review these documents.

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FINANCING THE PURCHASE

Determine which loan is best for you. Every lender is different. Consider the following:

Eligibility requirements, farm management experience, collateral, etc.

Down payment, repayment term, interest rate, closing costs.

Timeline. Make sure the loan application timeline matches your PSA deadlines.

If purchasing land is not an option, there are other ways to access land, including:

- Owner financing
- Lease (long term or shorter term with option to purchase)
- Cooperative ownership
- Farmland investment company

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APPLY FOR A LOAN

You May Need:

- Loan application form
- Written business plan
- Three-year financial and production history
- Farm income and expense projections
- Updated balance sheet
- Personal tax returns
- Purchase and sale agreement or lease
- Credit reports



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LOAN DECISION

Approved!

Your lender will schedule closing and order an appraisal. Your lawyer will prepare title, mortgage and transfer documents to sign at closing. Make sure all PSA contingency clauses are completed.

Not Approved.

Work with your farm business advisor to revisit your business plan.

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DO YOUR HOMEWORK!

Acquire homeowners or farm insurance.

Get a cashier's check issued for closing costs and associated loan fees. Your lender will verify the exact amount.

Confirm walk through. This usually happens the day of or the day before closing to check work that the seller agreed to do.



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CLOSING DAY

Congratulations! You're so close.

Closing is traditionally done at a lawyer's office or title company. You will be reviewing and signing many documents related to transferring ownership as well as the terms and conditions of your mortgage. Don't forget your identification and cashier's check.

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YOU DID IT! NOW WHAT?

Follow through on these expectations:

Lender

- Set up loan repayment schedule and pay on time.
- Keep loan documentation in a safe place.
- Depending on lender, may schedule annual meeting or farm visit with loan officer.

Farm Business Planner

- Check in with them!
- Keep clear farm records.
- Revisit farm, financial and personal goals.

Conservation (If applicable)

- Check in with conservation stewards or land trust.
- Understand allowances and restrictions of easement.
- Ask questions! Future improvement projects may need approval.