Project Requirements

The approved project to be financed must:

- be able to produce sufficient income to repay the loan amount plus accrued interest in full;
- be related to agricultural;
- be educational;
- be part of an organized and supervised program
- not be a noneligible enterprise.

FSA makes loans to individual young persons to start and operate income-producing projects of modest size in connection with their participation in 4-H clubs, FFA, a Tribal youth group, or similar agricultural youth organization. The project being financed with an FSA Youth Loan needs to provide an opportunity for the young person to acquire experience and education in agriculture-related skills.

The Youth Loan application requires a recommendation from a project advisor who verifies that he/she will sponsor the loan applicant, has the correct training and experience to supervise your project, and is available to help whenever needed.

If you are between the ages of 10 and 20 years at the time of loan closing, parent(s) and/or legal guardian(s) must consent to the loan application. Young people applying for a Youth Loan are personally responsible for repaying the loan. A co-signer is required only if the project shows possible difficulty in repaying the loan or does not meet security requirements.
Applicant Eligibility Requirements

In addition to the items listed for project requirements, Youth loan applicants also must:

- be a United States citizen, non-citizen national, or qualified legal alien;
- have no controlled substance convictions;
- have no past due debt problems;
- have not caused the Government a financial loss on previous loan assistance;
- have not received debt forgiveness from FSA.

Youth loan funds may not finance:

- exotic animals, birds, or fish not normally associated with agricultural production
- non-farm animals, birds, or fish ordinarily used for pets, companionship, or pleasure
- market or process farm products, goods or services not produced by the youth loan applicant, even if it might be agriculturally related

Maximum Loan Amount

The maximum loan amount is $5,000. There is no minimum loan amount requirement.

Repayment Terms

Repayment periods vary from 1 to 7 years. The length of the loan depends upon the amount of the loan, the loan purpose, and the project.

Interest Rate

Youth loans accrue at the same interest rate as the Direct Operating loan rate. Loan applicants receive the advantage of always being charged the lower rate in effect at the time of loan approval or loan closing. Interest rates are calculated and posted the 1st of each month.

3.750% Effective as of January 1, 2018

Additional information may be obtained by contacting your local FSA office or going to the link provided