USDA Farm Service Agency: Programs as a Part of Farm Resiliency
Nebraska Farm Service Agency Footprint

400+ dedicated staff

71 county offices
FSA Program Portfolio

Farm Programs
- Safety net programs
- Disaster programs
- Conservation Reserve Program

Farm Loans
- Direct farm ownership and operating loans
- Guaranteed farm ownership and operating loans
- Microloans
- Beginning farmer loans
- Youth loans
- Farm storage facility loans
- Others
Farm Loan Programs Portfolio

Direct Operating & Ownership

Guaranteed Operating & Ownership
Operating Loans (Direct)
Used to purchase items such as livestock and feed, seed, farm equipment, fuel, insurance; pay for family living expenses; make minor improvements or repairs to buildings and fencing; and pay for general farm operating expenses. Loan limit is $400,000 with a maximum 7-year term.

Ownership Loans (Direct)
Can be used to purchase or expand a farm or ranch, construct new or improve existing farm or ranch buildings, and pay for soil and water conservation and protection purposes. Loan limit is $600,000 with a maximum 40-year term.

Guaranteed Loans
Commercial lenders extend credit to family farm operators and owners who do not qualify for standard commercial loans. Farmers receive credit at reasonable terms to finance their current operations or to expand their business; financial institutions receive additional loan business and servicing fees, as well as other benefits from the program, such as protection from loss, up to 95 percent. Guarantees, for both operating and ownership loans, can be granted for up to $1.825 million.
Farm Loan Programs Portfolio

**Direct Farm Ownership Down Payment Program**

Specific to beginning farmers and ranchers, women and/or social disadvantaged farmers/ranchers, this type of loan may be used to purchase a farm or ranch. A minimum 5% cash down payment is required. Term is up to 20 years. The interest rate is set at the farm ownership rate minus 4%, with a floor of 1.5%.

Down payment loans cannot exceed 45% of the lessor of:

- The purchase price,
- The appraised value of the farm/ranch to be acquired, or
- $667,000 (FSA’s loan amount cannot exceed $300,150).

The balance of the purchase price not covered by the down payment loan and applicant down payment may be financed by a commercial or private lender, including the seller.
Direct Farm Ownership Loans – Joint Financing
This type of loan may be used to purchase a farm or ranch with no down payment required. Financing is provided jointly by FSA not to exceed 50% of the total amount financed and another lender providing the other 50% or more. FSA’s loan limit is $600,000.

Term is up to 40 years. The interest rate is set at the farm ownership loan rate minus 2%, with a floor of 2.5%.
**Microloans**
Designed to meet the needs of small and beginning farmers, non-traditional, specialty crop and niche type operations by easing some requirements and offering less paperwork. $50,000 loan limit and maximum 25-year term for purchasing a farm, constructing buildings or making other capital improvements, undertaking soil and water conservation, and operational expenses.

**Farm Storage Facility Loans**
Provides low-interest financing for producers to store, handle and/or transport eligible commodities they produce; may borrow up to $500,000 per loan, with a minimum down payment of 15%; loan terms vary and eligible commodities list is long; microloan option of $50,000 max with lower down payment.
Emergency Loans:

- Help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.
- Must have operated in a designated disaster county or contiguous county.
- Applications for emergency loans must be received within eight months of the county’s disaster or quarantine designation date.
- Producers can borrow up to 100 percent of actual production or physical losses to a maximum amount of $500,000. Note: Insurance or other types of disaster program payments are deducted from the loss amount in calculating the Emergency Loan Amount.
USDA has in place some special program provisions for certain groups of people: beginning farmers/ranchers, women, veterans, and other groups.
Farm Loan Programs – Eligibility

There are some basic requirements for everyone, such as:
• Be a U.S. citizen, a U.S. non-citizen national, or a qualified alien
• Be unable to attain credit elsewhere
• Have a good credit history (pay bills timely) **
• Have the capacity to secure the loan

Customers also must demonstrate they’ve had some level of experience. This requirement varies, depending on the type of loan for which they are applying.

For an Operating loan: Have sufficient education, training, or at least 1-year experience in managing or operating a farm or ranch within the last 5 years.

For a Farm Ownership loan: Must have participated in the business operations of a farm or ranch for at least 3 of the last 10 years prior to application. He or she may be able to substitute other relevant experience, including military service, for 2 years of the required 3 years. Must be the owner-operator of the farm financed by the Agency.