



(IFA USE ONLY)

Loan Number _____

Application Fee Received _____

AGRICULTURAL RESTRUCTURING DEBT GUARANTEE APPLICATION

\$300 application fee

For Loans Made by Lending Institutions

(Please print or type)

Part I - REPRESENTATION OF APPLICANT(S)

(To be completed by Applicant(s) - Please complete all questions)

Full Legal Name _____ Year of Birth _____

Full Legal Name _____ Year of Birth _____

Full Legal Name _____ Year of Birth _____

Full Legal Name _____ Year of Birth _____

Address _____

City/State/Zip _____ Phone: _____

County Where Project will be Located _____

1 . Amount of State Guarantee Program for Agricultural Restructuring Debt (ARD) Loan request \$ _____
Please round to the nearest thousand; there is a \$500,000 maximum.

2. Specify what debt(s) will be consolidated under the ARD Loan, the dollar amount and the current interest rate of each debt.

3. Please list the collateral that will be pledged to secure the ARD Loan. _____

4. Please attach your last **three years balance sheets including a current balance sheet, a cash flow statement**, and three years of **income history** (tax returns or other records).

5. Please explain how this ARD Loan will benefit your farming operation. _____



6. Each applicant understands and agrees that:

- a. the total closing fee for this loan is 3/4% of the principal amount of the loan if the guarantee is approved by the IFA's Board of Directors before July 1, 2007 or 1.00% of the principal amount of the loan if the guarantee is approved by the IFA's Board of Directors on or after July 1, 2007. A \$300 nonrefundable application fee will be paid at the time of application. The application fee will be deducted from the 3/4% or 1.00% fee (as applicable) at closing;
- b. I will pay all fees that may arise from the ARD Loan such as: appraisals, credit reports, lien searches, title work and document recording;
- c. the interest rate on the ARD Loan shall be adjusted annually on the anniversary date unless written with a fixed or longer term variable rate;
- d. the ARD Loan will mature in thirty years or less;
- e. on the third anniversary date of the ARD Loan, my lender will have the option of renewing the ARD Loan or calling it annually on the anniversary date regardless of default;
- f. the collateral and performance on this ARD Loan will be reviewed annually, I will be required to provide my lender with a current balance sheet annually, and I may have to pledge additional collateral in the future if the value of the collateral becomes insufficient to adequately secure the ARD Loan; and
- g. IFA and my lender will have the final approval of this loan request and submitting this application does not insure me that my ARD Loan request will be approved.

7. Each applicant hereby certifies that:

- a. I am a resident of the State of Illinois;
- b. I am the principal operator of a farm;
- c. I received at least 50% of my annual gross income from farming last year, and will do so again this year. (i.e., my gross farm revenues exceed my nonfarm income);
- d. my debt to asset ratio based on the current market value balance sheet and appraised values, is more than 40% and less than 65%;
- e. the collateral I am pledging has an appraised fair market value greater than the ARD Loan; and
- f. only one (1) ARD Loan shall be outstanding for my farming operation.

8. I hereby certify that I have read the "Program Summary for the State of Illinois State Guarantee Program for Agricultural Restructuring Debt" and that I meet all of the eligibility requirements for the program. I understand all the terms and stipulations of the program and I agree to adhere to all of IFA's guidelines, rules and regulations required of me to secure and keep intact, or which otherwise apply to an ARD Loan. I further certify that I have reviewed the entire application, and that all information on the application, including the financial statements attached, is true and correct.

Date: _____

Signature of Applicant

Signature of Applicant

Signature of Applicant

Signature of Applicant



Part II - REPRESENTATION OF LENDER AND SECURITY ANALYSIS

(To be Completed by Lender)

Name of Lender _____
 Address _____ Phone _____
 City/State/Zip _____ Fax _____
 Contact Person: _____ E-Mail _____

1. Amount of State Guarantee Program for Agricultural Restructuring Debt (ARD) Loan request \$ _____
 Please round to the nearest thousand; there is a \$500,000 maximum.

2. Please provide a designation of the proposed interest rate to be charged to the borrower for the ARD Loan and, if a variable rate, what index would be used; a designation of what the interest rate would be without the ARD Loan Program; and the conversion features, if any, from a fixed interest rate to a variable interest rate.

3. Principal payments on this loan must be commensurate with the useful life of the collateral.

a. Please denote the number of years. _____ (The maximum length is 30 years)

b. Payments will be scheduled: annually, semi-annually, quarterly, or monthly

c. Principal payments shall be based upon: (denote 1 or 2 or 3)

1. Amortized payments of interest and principal;

2. Equal principal payments of \$ _____ plus interest; or

3. Other special plan _____.

4. Please attach the applicant's last three years **balance sheets**, including a current balance sheet, three years of **income history** (tax returns or other records) and a **credit bureau report**. Please attach a **cash flow statement** for the upcoming year. You may use your own cash flow statement or the one from the IFA website.

5. The applicant's debt to asset ratio computed using the market value method and appraised values is _____%.

6. What collateral will be pledged to secure the ARD Loan and its appraised value if available? Please attach the appraisal(s) if available. _____

7. Please describe any existing liens that are now on the collateral:

<u>Collateral</u>	<u>Lien Holder</u>	<u>Loan Amount</u>	<u>Terms & Interest Rate</u>	<u>Will be Paid Off with ARD?</u>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>



<u>Collateral</u>	<u>Lien Holder</u>	<u>Loan Amount</u>	<u>Terms & Interest Rate</u>	<u>Will be Paid Off with ARD?</u>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
_____	_____	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>

8. Currently, is the applicant(s) delinquent on any debt or has the applicant(s) been delinquent on any debt in the last three years? Yes No If yes, please identify the delinquency(s). _____

9. Has the applicant(s) filed for bankruptcy in the last seven years? Yes No
If yes, please indicate the year of filing. Year _____

10. Please state the strong and weak points of the applicant(s) and their farming operation and how this ARD Loan can assist the applicant. (add additional page if needed or attach your internal loan narrative)

11. **If the collateral is real estate**, please have the applicant(s) complete Part III, page 5, **Environmental Survey** and please answer if are you aware of any environmental risks or hazards? Yes No
If yes, please detail. _____

12. The lender understands and agrees that:
- a. the ARD Loan will mature in thirty years or less;
 - b. the interest rate must be less than a market rate of interest generally available to the borrower as determined by IFA. The interest rate will be adjusted annually on the anniversary date of the loan, unless written with or converted to a fixed rate or written on a different variable term basis;
 - c. the applicant's debts must be brought to a current status at the time the ARD Loan is closed;
 - d. my lending institution will pay IFA an annual fee equal to: (a) for State Guarantees approved by the IFA's Board of Directors prior to July 1, 2007, one fourth of one percent (1/4%) of the outstanding principal balance of the ADR Loan calculated on the anniversary date, or (b) for State Guarantees approved by the IFA's Board of Directors on or after July 1, 2007, one half of one percent (1/2%) of outstanding principal balance of ADR Loan calculated on the anniversary date;
 - e. my lending institution will assume all responsibility and costs for pursuing legal action and collecting any ARD Loan that is delinquent or in default;
 - f. collateral must be disposed of 14 months from the date the ARD Loan goes into default and reimburse the State from said sale. The lender also understands that if they have not reimbursed the State within this 14-month period, then the lending institution is liable to start paying interest on the State Guarantee equal to the same rate which would be due from the applicant if the ARD Loan was still intact;
 - g. my lending institution must request written approval on the sale of all collateral on ARD Loans;
 - h. my lending institution will be responsible for at least the first 15% loss of principal and interest on the ARD Loan;
 - i. my lending institution cannot call the ARD Loan until the third anniversary date unless in default; and
 - j. any misrepresentation by lender or material misstatement of information on this application or otherwise in connection with this ARD Loan can result in the State Guarantee being revoked or terminated.

13. I hereby certify that I have read the "Program Summary for the State of Illinois State Guarantee Program for Agricultural Restructuring Debt" and my lending institution meets all of the eligibility requirements for the program. I understand all the terms and stipulations of the program and I agree to adhere to the Lender's Agreement and all of IFA's guidelines, rules and regulations required to secure and keep intact, or otherwise apply to an ARD Loan. I further certify that I have reviewed the entire application, including those portions completed by the applicant, and that all information on the application, including the financial statements attached, is true and correct.

Date: _____

Signature of Lender

Part III - ENVIRONMENTAL SURVEY

(To be Completed by Applicant)

PLEASE NOTE: If real estate is not pledged for collateral, this part does not need to be completed. Attach additional pages if needed.

1. Has an environmental site assessment ever been prepared for this property? Yes No
If yes, please attach copy.

2. Are there any underground tanks located on the property? Yes No If yes, please attach a map illustrating the number of tanks, size, type, age, their location, and indicate if they are currently in use.

3. Are there any wells for water, oil, or gas located on the property? Yes No If yes, please attach a map illustrating the number of wells, type, their location, and indicate if they are currently in operation.

4. Is there a livestock operation on the property? Yes No If yes, please answer the following.
 - a) What is your source of water for your livestock operation? _____

 - b) Please state the type of operation, number of head and describe the manure handling facilities and system of disposal. _____

 - c) Will the livestock operation be operated or managed by someone who has a Certified Livestock Facility Manager designation? Yes No .
 - d) Do you have a Waste Management Plan? Yes No . If yes, please attach a copy of the plan.
 - e) Are there any manure lagoons with your livestock facility? Yes No .
 - f) In miles or fractions thereof, how close is the nearest residence not associated with the ownership of your livestock facility? _____ mile(s).
 - g) Are you now or have you ever been involved in any investigation, dispute or litigation with the Illinois or Federal Environmental Protection Agency, Illinois Department of Natural Resources, Illinois Department of Agriculture or similar regulatory agency? Yes No . If yes, please explain _____

5. Is there any other environmental problem(s) associated with this property other than the ones previously mentioned? Yes No . If yes, please explain. (Example: landfills, electrical transformers, contaminates, hazardous substances, used pesticide containers, pesticide spills, other business activities, environmental concerns from neighboring properties, flooding, proximity to streams, or other)

I hereby certify that I have answered the Environmental Survey questions to the best of my ability and that the answers and the explanations to the questions are true and correct.

Date: _____

Signature of Applicant

Signature of Applicant



Thank you for completing the ARD loan application for Agricultural Restructuring debt. Please mail the application to the address below or you may submit the application electronically through our website. All applications may be printed from our website if you need additional forms. IFA Board meetings are usually scheduled on a monthly basis on the second Tuesday of each month. Please try to submit your application before the end of the first week of the month to ensure time for us to review. If you have any questions regarding the application process, financial records, appraisals, or other loan terms and conditions, please call us at the number below.

Have you determined?

- The amount of the loan
- The number of years for the loan
- The interest rate for the loan
- The interest rate index (if applicable)
- The collateral for the loan

Have you enclosed?

Application

- Application Part I** - Applicant's section pages 1 and 2
- Application Part II** - Lender's section pages 3 and 4
- Application Part III** - Environmental Survey page 5 (if real estate is collateral)
- \$300 Application Fee**

Financial Records

- 3 Years of Balance Sheets including a current year balance sheet
- 3 Years of Income History
- Projected cash flow statement
- Credit Bureau Report
- Appraisal(s) if available

The Illinois Finance Authority is an independent, self-funded state agency offering a variety of loan programs mutually beneficial to farmers and lenders. Contact us at the number below for more information on the Beginning Farmer Bond Program, Beginning Farmer Contract Bond Program, Debt Restructuring Loan Guarantee Program, Young Farmer Guarantee Program, Specialized Livestock Guarantee Program, Agri-Industries Loan Guarantee Program, and/or the Value-Added Stock Purchase Loan Guarantee Program.

Serving Illinois Agriculture One Family at a Time Since 1982

Offices of the Illinois Finance Authority

Chicago	180 N. Stetson Ave, #2555, Chicago, IL 60601	312.651.1300	312.651.1350 fax
Mt. Vernon	2929 Broadway, Suite 7B, Mt. Vernon, IL 62864	618.244.2424	618.244.2433 fax
Peoria	124 S. W. Adams St., #300, Peoria, IL 61602	309.495.5959	309.676.7534 fax
Springfield	427 E. Monroe Street, #202, Springfield, IL 62701	217.782.5792	217.782.3989 fax

www.il-fa.com

TTY: 1.800.526.0844 | VOICE : 1.800.526.0857