



(IFA USE ONLY)

Loan Number _____

Application Fee Received _____

YOUNG FARMER 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))

Full Legal Name Type your information into the gray boxes Year of Birth _____

Full Legal Name Use Tab or mouse to proceed to the next box Year of Birth _____

Address _____

City/State/Zip _____ Phone: _____

County Where Project will be Located _____

1. Amount of the Young Farmer Guarantee (YFG) Loan request \$ _____
Please round to the nearest thousand; there is a \$500,000 maximum

2. Please provide a brief description of the capital purchase(s) and related cost. Attach additional page if needed.

3. If any existing debt is being refinanced, please detail the amount of the loan and the current interest rate.

4. Please list the collateral being pledged to secure the Young Farmer Guarantee Loan.

5. Please attach your last **three years balance sheets** including a current balance sheet, a **pro-forma balance sheet** if different than the current balance sheet, and three years of **income history** (tax returns or other records). Please attach a **cash flow statement** for the upcoming year.

6. Please explain how this YFG Loan will assist your farming operation.

7. Each applicant understands and agrees that:

- a. the total closing fee for this loan is 1% of the principal amount of the loan if the guarantee is approved by the IFA's Board of Directors before July 1, 2007 or 1.25% 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 nonrefundable \$300 application fee will be paid at the time of application. This application fee will be deducted from the 1.0% or 1.25% fee (as applicable) at closing. The minimum fee is \$300;
- b. I will pay all fees that may arise from the YFG Loan such as: appraisals, credit reports, lien searches, title work, and document recording;
- c. the interest rate on the YFG Loan shall be adjusted annually on the anniversary date unless written with a fixed or longer term variable rate;
- d. the YFG Loan may be written with a 30 year amortization, but will mature in fifteen years or less;
- e. all of my debts must be current at the time the YFG Loan is closed;
- f. the collateral and performance on this YFG 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 loan;
- g. purchases made not more than six months prior to IFA loan approval are eligible;
- h. there is a \$500,000 maximum loan total per farming operation. I may apply more than once as long as the original amounts of the loans do not exceed \$500,000 in total; and
- i. IFA and my lender will have the final approval of this loan request. Submitting this application does not ensure that my YFG Loan request will be approved.

8. Each applicant hereby certifies that:

- a. I am a resident of the State of Illinois, and am at least eighteen years old;
- b. I am or will be the principal operator of a farm;
- c. I will receive at least 50% of my annual gross income from farming in the upcoming year. (i.e., my gross farm revenues will exceed my nonfarm income);
- d. my net worth on a market value balance sheet is greater than \$10,000;
- e. my debt to asset ratio based on the pro-forma market value balance sheet, is between 40% and 70%; and
- f. the collateral I am pledging has an appraised fair market value that is greater than the dollar amount of the YFG Loan.

9. I hereby certify that I have read the "Program Summary for the State of Illinois Young Farmer Guarantee Program" 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 the IFA's guidelines, rules and regulations required of me to secure and keep intact, or which otherwise apply, to a YFG 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



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 Young Farmer Guarantee (YFG) 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 YFG Loan and, if a variable rate, what index would be used; a designation of what the interest rate would be without the YFG Loan Program; and 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. _____ (maximum is 30 years)
b. Payments will be made 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 provide a brief description of the capital purchase(s) and related cost. Attach additional pages if needed.

5. What collateral will be pledged as security for the YFG Loan? Please attach the appraisal(s) if available.

6. Please attach the applicant's last **three years' balance sheets** including a current balance sheet, a **pro-forma balance sheet** if different than the 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.

7. Please describe any existing liens that are now on the proposed collateral and indicate if any existing debt will be refinanced to improve the lien position.

<u>Collateral</u>	<u>Lien Holder</u>	<u>Loan Amount</u>	<u>Terms & Interest Rate</u>	<u>Paid Off with YFG?</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"/>

Currently, the applicant's market value debt to asset ratio is _____%.

After the purchase, the applicant's pro-forma market value debt to asset ratio will be _____%.

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 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 describe the circumstances of the purchase and when the asset was/will be purchased.
[For example: public auction, private sale, related party, dealer, construction, or etc.] _____

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

12. Please state the strong and weak points of the applicant(s) and their farming operation and how this YFG Loan will assist their farm operation. (attach an additional page if needed or your internal loan narrative)

13. The lender understands and agrees that:
- the YFG Loan will mature in fifteen years or less;
 - 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;
 - the applicant's debts must be current at the time the YFG Loan is closed;
 - 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 YFG 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 the outstanding principal balance of the YFG Loan calculated on the anniversary date;
 - my lending institution will assume all responsibility and costs for pursuing legal action and collecting any YFG Loan that is delinquent or in default;
 - collateral must be disposed of 14 months from the date the YFG 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 my lending institution is liable to start paying interest on the YFG Loan equal to the same rate that would be due from the applicant if the loan were still intact;

- g. my lending institution must request written approval on the sale of all collateral on YFG Loans;
- h. my lending institution will be responsible for at least the first 15% loss of principal and interest on the YFG Loan; and
- i. any misrepresentation by lender or material misstatement of information on this application or otherwise in connection with this YFG Loan can result in the Guarantee being revoked or terminated.

14. I hereby certify that I have read the “Program Summary” for the “State of Illinois Young Farmer Guarantee Program” and that 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 which otherwise apply to a YFG Loan. I further certify that I have reviewed the entire application, including those portions completed by the applicant, and 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 questions.
 - 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 Young Farmer Guarantee Program loan application for capital purchases. 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 and pro-forma statement
- 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	160 N LASALLE ST., STE. C-800, 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
SPRINGFIELD	500 E. MONROE ST., THIRD FLOOR, SPRINGFIELD, IL 62701	217.782.5792	217.782.3989 FAX

www.il-fa.com

TTY: 1.800.526.0844 | VOICE : 1.800.526.0857