



(IFA USE ONLY)

Project Number _____

Loan Number _____

Application Fee Received _____

IFA Loan Amount \$ _____

Acres/Value _____

Legislative Districts: C ____ / S ____ / H ____

Voting Record: _____

FIRST-TIME FARMER BOND APPLICATION
\$100 application fee
For Loans Made by Lending Institutions
(Please print or type)

Part I - REPRESENTATIONS OF APPLICANT(S)

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

Name/Applicant(s):

1. _____ SS#: _____

2. _____ SS#: _____

Current Address: _____

How did you hear about the First-Time Farmer Bond Program? _____

1. Description of items to be purchased with IFA loan proceeds ("Project"). _____

2. Address of farm where project will be located: _____

3. County where project will be located: _____

4. Seller's name & address of project: _____

Seller's relationship to applicant(s): _____

5. What type of activity will be conducted with the purchased project? Check all items which apply.

- Grain Farm _____
- Dairy Farm _____
- Poultry Farm _____
- Fur-bearing Animal Farm _____
- Truck Farm _____
- Stock Farm _____
- Range or Ranch _____
- Orchard _____
- Nursery _____
- Greenhouse _____
- Other (please describe) _____

6. After the project is purchased, will any part of it be leased to other parties? Yes No

If yes, please explain: _____

7. Have you ever had at any time any direct or indirect ownership interest in land? Yes No

If yes, please indicate the number of acres in which you had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time you had an ownership interest in it. (Residential Real Estate is excluded)

Number of acres _____

County, State _____

Highest Value _____

How actively do or did you participate in the operations conducted on that land?

Full-time _____

Part-time (7 hours or more per week) _____

Very little (less than 7 hours per week) _____

Not at all _____

8. If you are married, has your spouse ever had at any time any direct or indirect ownership interest in land? Yes No

N/A

If yes, please indicate the number of acres in which your spouse had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time your spouse had an ownership interest in it.

Number of acres _____

County, State _____

Highest Value _____

How actively does or did your spouse participate in the operations conducted on that land?

Full-time _____

Part-time (7 hours or more per week) _____

Very little (less than 7 hours per week) _____

Not at all _____

9. If you have children, has any of them while under the age of 18 had any direct or indirect ownership interest in any land? Yes No N/A

..... Yes No N/A

If yes, please indicate the number of acres in which your child had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time your minor child had an ownership interest in it.

Number of acres _____

County, State _____

Highest Value _____

How actively does or did your minor child participate in the operation conducted on that farmland?

Full-time _____

Part-time (7 hours or more per week) _____

Very little (less than 7 hours per week) _____

Not at all _____



10. Will some or all of the IFA loan proceeds be used to purchase land?..... Yes No
Number of acres: _____
11. Will any of the IFA loan proceeds be used to finance the construction of new improvements to farmland?. Yes No
Description of improvements: _____

12. Will any of the IFA loan proceeds be used to finance the construction of a new building?..... Yes No
Description of building: _____

13. Will any of the IFA loan proceeds be used to purchase a building or other structure that has been used by you or someone else prior to purchase? Yes No
Description of building: _____
Location of building: _____
Will you be moving the building from its present location? Yes No
Will the building be moved onto land which you are purchasing with IFA loan proceeds? Yes No
14. Will any of the IFA loan proceeds be used to purchase new machinery or equipment? Yes No
Description of equipment: _____
15. Will any of the IFA loan proceeds be used to purchase machinery or equipment that has been used by you or someone else prior to purchase? Yes No
Description of equipment: _____
Is any of the machinery or equipment currently located on the farmland referred to in Question 10? Yes No
Is any of the machinery or equipment currently not located on the farmland referred to in Question 10? Yes No
Will you be using this used machinery or equipment in connection with the operation of the project purchased with IFA loan proceeds? Yes No
..... Yes No
16. Does the project consist in part of a residence? Yes No
17. Will you be using any of the IFA loan proceeds to purchase fruit-bearing trees or vines? Yes No
Will you be using these fruit-bearing trees or vines in connection with the operation of the project that will be purchased with IFA proceeds?..... Yes No
18. Will you be using any of the IFA loan proceeds to purchase anything other than farmland, improvements, buildings or other structures, machinery or equipment, or fruit-bearing trees or vines? Yes No
Description of the property: _____



19. Amount of loan request: \$ _____

20. Percent of equity (not to exceed 100%)

- 1. USDA-Farm Service Agency _____
- 2. Bank / IFA Financing _____
- 3. Other Bank Financing _____
- 4. Seller Financing _____
- 5. Borrower _____
- 6. Other, please explain _____ = 100%

21. Expected date of closing _____

22. Allocation of purchase price and IFA loan proceeds among items included in project. Items must be separately identified by category.

<u>Item</u>	<u>Purchase Price</u>	<u>IFA Proceeds</u>
Farmland	_____	_____
New Improvements	_____	_____
New Buildings	_____	_____
Used Buildings	_____	_____
New Equipment	_____	_____
Used Equipment	_____	_____
Residence	_____	_____
Total	_____	_____

Part II - CERTIFICATION OF APPLICANT(S)
(To be completed by Applicant(s) - Please complete all questions)

In submitting this application, I, the undersigned Applicant, have read the following statements and hereby certify and agree that:

- 1. I am or will be a permanent resident of the State of Illinois at the time of bond issuance..... True False
- 2. The project will be located within the State of Illinois True False
- 3. I will be the principal operator of the project..... True False
- 4. I am purchasing the project as an individual, not as a partnership, corporation or any other legal entity. I also will operate the project as an individual, not as a partnership, corporation or any other legal entity..... True False
- 5. I have previously received tax exempt financing from a governmental entity or authority (describe the project, name of borrower, and amount of prior loan, or indicate none). This item must be completed.

- 6. Persons who are Related Persons to me, as described below, have previously received tax exempt financing from a governmental entity or authority (describe the project, name of borrower, and amount of prior loan, or indicate none). "Related Persons," as defined in Section 144(a)(3) of the Internal Revenue Code includes, among others, a father, mother, brother, sister, grandparent, grandchild or spouse, a partnership or corporation in which the Applicant(s) or any of the foregoing relatives has more than a 50% interest, a partnership and each of its partners, and an S corporation and each of its shareholders (and their spouses and minor children). This question must be answered:



- 7. None of the proceeds of the loan shall be used, in whole or in part, for working capital (including but not limited to, proceeds used to finance inventory or supplies such as feed, fertilizer, fuel, feeder cattle, pigs and lambs)..... True False
- 8. My net worth and that of my spouse and children, if any, is less than \$500,000. My personal financial statement and that of my spouse and children, if any, submitted in connection with this Application are true, correct and complete .True False
- 9. I have or will have access to adequate working capital, farm equipment, machinery or livestock..... True False
- 10. I agree that the loan may not be assumed by another person without the prior approval of the IFA, and then only if the purchaser of the property is an eligible applicant for an IFA loan. I plan to retain the property financed by the loan for the term of the loan. I also understand the benefits of the loan resulting from the exemption from Federal income taxation of interest on the IFA bond must be retained by myself, and no person to whom property is traded or otherwise transferred may obtain the benefits of the IFA loan..... True False
- 11. I have prepared and delivered this Application in order to apply for a loan from the Authority, such loan to be funded with the proceeds of the Authority's bond, if and when issued by the Authority True False
- 12. I have not commenced acquisition or construction of any part of the project to be financed with the proceeds of the loan and I have not entered into any contract or purchase agreement, installment or otherwise, in connection with (i) the construction or acquisition of the project or any part thereof of the project, or (ii) the off-site fabrication or acquisition of any part of the project True False

If false, please explain: _____

- 13. If the project is being acquired directly or indirectly from a Related Party, the purchase price equals the fair market value of the project, and I have provided documentation to IFA of this..... True False N/A
- 14. If the project is being acquired directly or indirectly from a Related Party, the seller will have no continuing financial interest in the project and will not be a principal user of the project, and will have no other direct or indirect ownership or use of the project True False N/A
- 15. No Board member or employee of the Authority is employed by, holds any official relation to, or has any financial interest in the Applicant(s)..... True False
- 16. I will not use any of the IFA loan proceeds to purchase any interest in real estate, including any interest in a land trust, from a member of the Board or employee of the Authority True False
- 17. I understand that any property purchased with IFA loan proceeds must be depreciated for Federal income tax purposes on a straight-line basis..... True False
- 18. I understand that IFA will charge a 1.5% closing fee with this loan and that my lender may also charge a closing fee of up to 0.5% True False
- 19. All representations and certifications of the Applicant(s) contained in this Application are true, correct and accurate True False

 (Applicant's signature) (Date)

 (Applicant's signature) (Date)

Address: _____

Address: _____

Telephone: _____

Telephone: _____



Part III - REPRESENTATIONS OF LENDER (To be completed by Lender)

- 1. Purchase price of project: \$ _____
- 2. Value of residence and any buildings, such as garage, related to residence (if N/A, please indicate): _____

- 3. Personal financial statements for applicant(s) received: Yes No
Net worth of applicant(s) is: \$ _____

Part IV - CERTIFICATION OF LENDER (To be completed by Lender)

The undersigned Lender has read the following statements and hereby certifies that:

- 1. The applicants are "First-Time Farmers" as defined in Ill. Admin. Code Part 1400 Article XIV, as amended.
- 2. The net worth of the applicants, their spouses, and children under the age of 18 in the best judgement of the Lender on the date hereof is less than \$500,000 as shown by the personal financial statement of the applicants.
- 3. The applicants have documented to the satisfaction of the Lender that they have sufficient education, training and experience for the anticipated farming operation.
- 4. To the best of the Lender's knowledge, each of the certifications of the applicants set forth in this application is true and correct.
- 5. The proceeds of the loan will not be used to provide working capital, including but not limited to, proceeds used to finance inventory or supplies such as feed, seed, fertilizer, fuel, feeder cattle, pigs and lambs.
- 6. The Lender requests the Authority to issue and sell its bond to the Lender for the purpose of financing the project to the extent thereof.
- 7. The Lender may finance or otherwise advance moneys to the applicants or related person in connection with the project prior to the IFA Board of Director approval of the applicant's project. However, the Lender acknowledges that the application must be approved by the IFA Board of Directors within sixty days of the commencement of acquisition of the project by the applicants or by any related person. Commencement of acquisition includes commencement of acquisition or construction of any part of the project to be financed with the proceeds of the loan; any contract or purchase agreement, installment or otherwise, in connection with (i) the acquisition or construction of the project or any part thereof, or (ii) the off-site fabrication or acquisition of any part of the project; and payment of any money by the applicants for down payment or earnest money. The Lender further acknowledges that the IFA Board of Directors meets the second Tuesday of every month and that the application must be received in the Authority office in sufficient time for review prior to a Board meeting.
- 8. No member of the Board of the Authority is an officer, director or holder of a substantial property interest in the undersigned Bank.

[Continue to page 7; bottom left blank intentional]



9. To the best of Lender's knowledge, the loan complies with all federal and state laws and all rules and policies pertaining to such bank transactions, including, but not limited to, U.S. Code, Title 12, (12 USC), Regulation O of the Federal Reserve rules (12 CFR 215), and Lender's policies regarding loans to officers or employees of the Lender.
10. The Lender shall deposit all IFA loan proceeds in the "Project Fund Account" created pursuant to Section 1.03 of a Lender Loan Agreement between the Lender and the Authority. Money in the Project Fund shall be disbursed by the Lender to the applicant only by a written requisition from the Borrower to the Lender in the form attached as Exhibit A to a Loan Agreement between the applicant and the Authority.
11. The Lender may charge a closing fee of up to 0.5% and will charge no other fees or points, except that the Lender may charge the borrowers actual costs associated with closing.
12. The Lender shall not fund the Project Fund until so authorized by the IFA.

Lender: _____

Address: _____

County: _____

By (Contact Signature Person): _____

Name (Printed): _____

Title: _____

Phone: _____

Email: _____

[Continue to page 8; bottom left blank intentional]



Part V - SUMMARY OF LOAN TERMS (To be completed by Lender)

Interest Rate

1. Interest rate calculation is.....Simple Compound

If calculation is compound, how often will interest be compounded? _____

2. Interest rate isFixed Variable

If rate is fixed, the rate will be _____

If rate is variable, the rate at the date of closing will be _____

If rate is variable, how long will the initial rate remain in effect? _____

If rate is variable, how often will the rate be adjusted? _____

If rate is variable, to what index will the rate be tied and how will the rate be tied to that index (e.g. 1.00% below prime per The Wall Street Journal)? The index must be external to the bank and its holding company, if applicable, and must be published in a publication generally available to the public. _____

3. Number of points charged by Lender (not to exceed 0.50%) _____

Payment Provisions

1. Term of loan in years _____

2. Frequency of payments:

	Principal	Interest
Annual	_____	_____
Semi-Annual	_____	_____
Quarterly	_____	_____
Monthly	_____	_____

3. First payment date if payment dates will not be tied to closing date _____

4. Payment structure (Please Note: If a bond loan balloons it may not be extended. If you are requesting a balloon just to adjust the interest rate, please indicate a variable rate above and no balloon. If you want to have the option of calling the loan at any time interval after five years, please answer yes to the call option below and indicate no balloon).

_____ Amortized principal and interest payments for equal payments for the life of the loan (use this only if the interest rate is fixed).

Amortization period, number of years _____

Balloon? Yes at the end of _____ years No

Amount of each payment \$ _____

_____ Amortized principal payments plus accrued interest (use this only if interest is variable). Please include an amortization schedule if you want yours used.

Amortization period, number of years _____

Balloon? Yes at the end of _____ years No

_____ Equal principal payments plus accrued interest

Amount of each principal payment \$ _____

Balloon? Yes at the end of _____ years No



Public Hearing Notice Information - Location of Farm

County _____

Township _____

For projects including farmland or improvements, detailed driving directions from the nearest edge of the nearest town, including names or numbers of all roads. For projects with equipment only, no driving directions are necessary. _____



Thank you for completing the First-Time Farmer Bond application. 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 for the second Tuesday of each month. Please submit your application four weeks prior to the month you wish to be considered for approval 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 - II** *Applicant's section pages 1 through 5*
- Application Part III - V** *Lender's section pages 6 through 9*
- Personal Financial Statement on Borrower(s)** *Available on website*
- \$100 Application Fee**

The Illinois Finance Authority is an independent, self-funded state authority offering a variety of loan programs mutually beneficial to farmers and lenders. Contact us at the number below for more information on the First-Time Farmer Bond Program.

Serving Illinois Agriculture One Family at a Time Since 1982

Mail to:
 Illinois Finance Authority
 2929 Broadway, Ste. 7B
 Mt. Vernon, IL 62864
 618.244.2424 DD
 618.244.2433 Fax

CHICAGO	160 N LASALLE ST., STE. S-1000, CHICAGO, IL 60601	312.651.1300	312.651.1350 FAX
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