



# FARM LOANS

UNITED STATES DEPARTMENT OF AGRICULTURE  
**FARM SERVICE AGENCY**

**2014 FARM BILL  
 FACT SHEET**

October 2016

## Farm Loan Information Chart

The following chart summarizes FSA farm loan information. Additional details are available at local FSA offices and on FSA's website: [www.fsa.usda.gov](http://www.fsa.usda.gov).

Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$300,000	<ul style="list-style-type: none"> <li>• Rate based on agency borrowing costs</li> <li>• Term up to 40 years</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase farm</li> <li>• Construct buildings or other capital improvements</li> <li>• Soil and water conservation</li> <li>• Pay closing costs</li> </ul>
Direct Farm Ownership (FO) Participation	\$300,000	<ul style="list-style-type: none"> <li>• Rate is direct FO rate less 2% with a floor of 2.5% if at least 50% of loan amount provided by other lender</li> <li>• Term up to 40 years</li> </ul>	Same as direct FO
Direct Farm Ownership Microloan (FO ML)	\$50,000	<ul style="list-style-type: none"> <li>• Rate based on agency borrowing costs</li> <li>• Term up to 25 years</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase farm</li> <li>• Construct buildings or other capital improvements</li> <li>• Soil and water conservation</li> <li>• Pay closing costs</li> </ul>
Direct Down Payment Farm Ownership Program	The lesser of 45% of: <ul style="list-style-type: none"> <li>• the purchase price;</li> <li>• the appraised value; or</li> <li>• \$667,000 (not to exceed \$300,000)</li> </ul>	<ul style="list-style-type: none"> <li>• Rate is direct FO rate less 4% with a floor of 1.5%</li> <li>• Term of 20 years</li> <li>• Down payment of at least 5%</li> </ul>	Purchase of farm by a beginning or underserved farmer
Direct Operating (OL)	\$300,000	<ul style="list-style-type: none"> <li>• Rate based on agency borrowing cost</li> <li>• Term from 1 to 7 years</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies</li> <li>• Soil and water conservation</li> <li>• Refinance debts with certain limitations</li> </ul>
Direct Operating Microloan (ML)	\$50,000	Same as direct OL	Same as direct OL
Direct Emergency	100% actual or physical losses \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> <li>• Rate is based on the OL rate plus 1%; with a cap of 3.75%</li> <li>• Term from 1 to 7 years for non-real estate purposes</li> <li>• Term up to 40 years for physical losses on real estate</li> </ul>	<ul style="list-style-type: none"> <li>• Restore or replace essential property</li> <li>• Pay all or part of production costs associated with the disaster year</li> <li>• Pay essential family living expenses</li> <li>• Reorganize the farming operation</li> <li>• Refinance debts with certain limitations</li> </ul>
EZ Guarantee	\$100,000	Same as Guaranteed Operating or Guaranteed Farm Ownership	Same as Guaranteed Operating or Guaranteed Farm Ownership
Guaranteed Operating	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> <li>• Rate determined by the lender</li> <li>• Term from 1 to 7 years</li> <li>• Loan guarantee fee is 1.5%</li> </ul>	Same as direct OL
Guaranteed Farm Ownership	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> <li>• Rate determined by the lender</li> <li>• Term up to 40 years</li> <li>• Loan guarantee fee is 1.5%</li> </ul>	Same as direct FO except loan may be used to refinance debts
Guaranteed Conservation Loan (CL)	\$1,399,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> <li>• Rate determined by the lender</li> <li>• Term not to exceed 30 years, or shorter period, based on the life of the security</li> <li>• Loan guarantee fee is 1.5%</li> <li>• Eligibility requirements expanded to include large and financially strong operations</li> </ul>	<ul style="list-style-type: none"> <li>• Implement any conservation practice in an NRCS-approved conservation plan</li> <li>• May be used to refinance debts related to implementing an NRCS-approved conservation plan</li> </ul>
Land Contract (LC) Guarantee	The purchase price of the farm cannot exceed the lesser of: <ul style="list-style-type: none"> <li>• \$500,000; or</li> <li>• The current market value of property</li> </ul>	<ul style="list-style-type: none"> <li>• Rate cannot exceed the direct FO interest rate plus 3%</li> <li>• Amortized over a minimum of 20 years with no balloon payments during the first 10 years of loan</li> <li>• Down payment of at least 5%</li> </ul>	<ul style="list-style-type: none"> <li>• Sell real estate through a land contract to a beginning or underserved farmer</li> <li>• Guarantee is with the seller of the real estate</li> </ul>

*USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).*