

Farm Storage Facility Loan Program

Eligible Facility Loan Commodities

Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain or other than grain such as forage, including
hay

Eligible Facilities and Upgrades

- An FSA farm storage facility loan must be approved by the local FSA county committee before any site preparation and/or construction can be started.

Includes:

New structures suitable for storing hay built according to acceptable design guidelines and having a useful life of at least 15 years.

Equipment Not Eligible

Scales, portable equipment, used bins, and used equipment are not eligible for financing.

Facilities built for commercial purposes and not for the sole use of the borrower(s) are not eligible for financing.

Eligible Cost Items

- Purchase price and sales tax.
- ■ Shipping and delivery charges.
- ■ Site preparation costs.
- ■ Installation costs.
- ■ New material and labor for concrete pads, electrical wiring, and electric motors.
- ■ Off-farm paid labor.
- ■ New on-farm material approved by FSA.
- ■ Attorney or archaeological study fees.

Eligibility Requirements

- An eligible borrower is any person who is a landowner, landlord, leaseholder, tenant or sharecropper who:
 - ■ Produces an eligible facility loan commodity.
 - ■ Has a satisfactory credit rating as determined by CCC.
 - ■ Demonstrates the ability to repay the debt for the facility loan.
 - ■ Possesses no delinquent non-tax federal debt.

- Demonstrates a storage need based on the borrower's three-year-average acreage and share of production, minus any current storage available.
- Provides proof of multi-peril crop insurance from the Federal Crop Insurance Corporation (FCIC) or a private company for the life of the loan.
- Provides proof of all peril insurance and, if applicable, flood insurance with CCC as a loss payee.

Add'l eligibility Requirements

- Demonstrates compliance with USDA provisions for highly erodible land and wetlands.
- ■ Demonstrates compliance with the National Environmental Policy Act.
- ■ Demonstrates compliance with any applicable local zoning, land use, and building codes.
- ■ Has not been convicted of a controlled substance violation.

Security Requirements

- The following are security requirements for farm storage facility loans:
- ■ All loans must be secured by a promissory note and security agreement, as well as a UCC-1 describing the storage facility and accompanying equipment; and
- ■ Severance agreements from all lien holders

- A first lien on the real estate on which the facility is located
- Real estate owned by the borrower other than where the facility is located, provided the real estate offered is sufficient to secure the loan
- A letter of credit from a financial institution in an amount sufficient to protect CCC's interest for each year the loan has an outstanding balance.

Facility Loan Terms

- A 15 percent cash down payment
- Loan terms available are seven (7) years, ten (10) years or twelve (12) years depending on the amount of the loan
- Interest rate is fixed for the loan term
- Loans are to be repaid in equal amortized installments
- Loan will not be disbursed until the facility has been erected and inspected

Cost of Obtaining a Loan

- Each applicant will be charged a nonrefundable \$100 application fee.
- Applicants pay all fees such as severance agreements, attorney fees, real estate lien search fees, and instrument filing fees.
- For loans over \$50,000, applicants will be required to pay the cost of obtaining a title search/opinion or title insurance.