



IMPORTANT INFORMATION FOR LOAN APPLICATION

Customer Interview

Ten Important Questions

Use of Information

1) How much is the loan request and what is the anticipated loan-to-value?	<u>Qualification:</u> Will loan fit minimum and/or maximum loan amounts? Can it work for Fast Track?
2) How will the funds be used?	<u>Qualification:</u> Purchase, refinance, improvements, cash out? Be familiar with cash out guidelines. Cash out: If the request is for 25% or more of loan proceeds, the LTV will be limited to 60% and the amortization to 15 years. Fast Track loans have unlimited cash out.
3) What loan product is the customer requesting and what is the expected interest rate?	<u>Customer commitment:</u> Be ready to discuss rates and products including convertibility, prepayment and blended rates. Product descriptions for ARM's, VRM's, fixed rates and the AgEquity product are available in our loan application procedure manual which can be found on our website, selecting Correspondent Lenders & Banks, Application Downloads and clicking on Application Procedure
4) Who is the applicant and what is the ownership structure?	<u>Gather proper information:</u> What entities are involved and what do they own and operate? Is there non-farm income? Are there any other businesses owned?
5) What is the security for this loan and who are the title holders?	<u>Eligibility of the property</u> as to highest and best use: Understand guidelines as to titleholders that are corporations, LLC, trust, etc. Titleholders will sign the note and mortgage/deed of trust. Financial information must be gathered for any person, corporation, LLC, trust, etc. holding 10% or more interest in the borrowing entity. That information will be entered into LOS and consolidated with the borrowing entity.
6) Who is the applicant's current operating lender and what is the relationship?	<u>Qualification:</u> What are the maximum dollars available regarding the line of credit? What is the average annual balance of the credit line?
7) What is the applicant's credit and payment history?	<u>Qualification:</u> Any judgments, collections or other legal actions? Obtain a credit release authorization.

8) What ag assets has the applicant owned, rented, bought and sold over the last four years?	<u>Qualification:</u> Understand the acres and/or livestock under management, the type of production and detail regarding purchases or sales of ag real estate and livestock. If real estate has been purchased or sold over the last four years, obtain purchase or sale price and acres.
9) What other changes have occurred in the farm operation or non-farm income and expenses over the past four years?	<u>Qualification:</u> Understand changes in contracts held, wages, outside businesses, inheritance, gifts and weather which could explain past or future performance.
10) Are there other questions after reviewing the tax returns and past balance sheets?	<u>Qualification:</u> Understand how the operation may be affected by other influences such as outside wages, social security, pensions, college tuition, alimony, etc. Review Schedules C, D, E, F for changes in operation.

Information to gather:

☐ Tax Returns: 3 - 4 Years

collect 4 years for operations where commodities grown are alternate bearing plantings or if the additional year will help explain any marginal credit issues.

- ☐ Balance Sheet: Current market value within 90 days of application
- ☐ Balance Sheets from up to three prior years if available (preferably of even date)
- ☐ Copies of signed contracts, agreements
- ☐ Verifications (Checking/Savings statements, 401K, loan statements)
- ☐ Signed credit release authorization
- ☐ Signed loan application
- ☐ Any information needed for the appraisal, e.g. yield history
- ☐ Environmental disclosure

Enter information into AgPower LOS:

- ☐ Complete all applicable tabs in AgPower LOS
- ☐ Narrative should include the 5 C's of Credit
- ☐ Credit Report for each applicant with a credit score
- ☐ Scan and upload all items listed above
- ☐ Hazard insurance information, water analysis, appraisal report and preliminary title report can be provided to underwriting after approval.

