

ZIONS AG FINANCE - UNDERWRITING GRID

Farm and Ranch Loans								
	Lifestyle Ranch	Fast Track	Seasoned Loan	Full Underwrite				
				Ag Equity	Standard ND, SD, MN, IA, IL, IN, OH, MO, NE	Standard All Other States		Choice Loans
TDC - Proforma Total Debt Coverage	N/A	≥ 1.00	N/A	≥ 1.35	≥ 1.25	≥ 1.25	≥ 1.50	≥ 1.50
Annual P&I/Gross Income	≤ 39%							
CR - Proforma Current Ratio	≥ 1.00	≥ 1.00	N/A	≥ 1.25	≥ 1.25	≥ 1.25		≥ 1.50
DA - Leverage: Proforma Debt/Asset	≤ 55%	≤ 40%	N/A	≤ 50%	≤ 50%	≤ 50%		≤ 40%
Loan Size	≤ \$3,000,000	≤ \$1,000,000	105% of Balance			> 5 mm	≤ 5mm	
LTV	≤ *70%	≤ 55%	≤ 60%	≤ 50% 10 yr draw ≤ 50% 5 yr draw	≤ 60%	≤ 60%	> 60% ≤ 70%	≤ 60%
FACILITY if: Value of collateral from agriculture improvements	Not for defined Facility loans	Not for defined Facility loans		Not for defined Facility loans	Not for defined Facility loans	Not for defined Facility loans		Not for defined Facility loans
LTV - New Facilities	Loan not Eligible - if more than 25% of AV	Loan not Eligible - if more than 40% of AV						
LTV - Existing Facilities								
Credit Score	≥ 700	≥ 720	no minimum	≥ 680	≥ 680	≥ 680		≥ 680
Term (in Years)	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30		10, 15, 20, 25 or 30
Contract required								
Amortization (in Years)	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30	20 or 25	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30		10, 15, 20, 25 or 30
Cashout Limitation	No cash out	not limited	≤ 5%	not limited	≤ 25%	≤ 25%		≤ 25%
Permanent Planting Loan Security	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Other	Monthly payments only. Highest and best use can not be influenced by subdivision or commercial development potential. *LTV max of 60% in ND, SD, MN, IA, IL, IN, OH, MO, NE. Most recent wage statement. No proforma income analysis. Minimum acreage size is 60 acres.	Operation must demonstrate that it is viable. Recent 2 years tax returns needed.	Original loan 5 years with no late pay last 3 years. CAR required. No material restructuring or modification since original loan closed. New Environmental Disclosure required.	Value of any improvements, including permanent planting will be deleted from AV to determine LTV.	Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths	Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths		Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths

PLEASE NOTE, THIS UNDERWRITING GRID IS FOR REFERENCE PURPOSES ONLY.

	Facility Loans						Total Debt Coverage Calculation	Lifestyle Ranch Debt Coverage Calculation
	Cow/Calf Ranch Loans	Poultry	Swine	Feedlot Dairy	Packing Houses Facilities, etc.	Other	NUMERATOR	NUMERATOR
TDC - Proforma Total Debt Coverage	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.35	≥ 1.35	≥ 1.50	+Net Farm Income	+P&I on debt
Annual P&I/Gross Income								+Capital Lease Payments
CR - Proforma Current Ratio	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.25		+Depreciation	
DA - Leverage: Proforma Debt/Asset	≤ 40%	≤ 65%	≤ 60%	≤ 50%	50% or LTD/NW 80%		+Interest on Debt	DENOMINATOR
Loan Size				≤ 5 mm	> 5 mm		+Capital Lease Payments	
LTV	≤ 55%	see detail below	see detail below	≤ 65%	≤ 60%	≤ 5 mm <65%, >5 mm 60%	+Net off-farm income	1040 Tax Return
FACILITY if: Value of collateral from agriculture improvements		≥ 60%	≥ 60%	≥ 60%	≥ 60%		-Living expense	Salaries
LTV - New Facilities		≤ 75%	≤ 75% or ≤ 80%**	See Below	See Below		-Income and SS tax	Interest Income
LTV - Existing Facilities		≤ 65%	≤ 70% or ≤ 75%**	See Below	See Below		DENOMINATOR	Dividends
Credit Score	≥ 680	≥ 680	≥ 680	≥ 680	≥ 680		+P&I on debt	Business Inc Sch C
Term (in Years)	10, 15, 20, 25 or 30	10-15 years	10	10-15 years	10-15 years		+Capital Lease Payments	Cap Gains/Loss Sch D
Contract required		yes	yes					Other Gains/Losses 4797
Amortization (in Years)	10, 15, 20, 25 or 30	10-existing;15 new	10	10/15 year & REL	15 years and REL			Rental Inc Sch E
Cashout Limitation	≤ 25%	No Cash-Outs	No Cash-Outs	No Cash-Outs	No Cash-Outs			Farm Inc Sch F
Permanent Planting Loan Security								Other Inc Sch B
Other	It is recommended that appraisals be completed with a market analysis on an Animal Unit (AU) year round capacity basis. Federal and State grazing leases, that constitute an integral part of the ranching unit will be required.	Operation must be large enough to be economically viable. Borrower must have a production contract with processor insuring occupancy or use of the facility as an integrator. Contract must be standard to industry with payments assigned. Operation must conform to all environmental rules and regulations. Manure easement may be needed.	Operation must be large enough to be economically viable. Borrower must have a contract with processor or producer for entire term of loan with take or pay provisions for product or pig space. Must be non-cancelable & assignable. Operation must conform to all environmental rules and regulations. Manure easement may be needed. **Higher maximum LTV available to only approved integrators.	Operation must be large enough to be economically viable. Milk assignments usually required. Evidence of permits for waste disposal and herd occupancy for stated capacity usually required.	Operation must be large enough to be economically viable.			Other Inc Sch C
								Plus Adjustment
								Farm Dep Sch F
								Non Farm Dep
								Farm Int Sch F
								Non Farm Int Sch C, E
								Minus Adjustments
								Non-Recurring
								Complete 3 years tax return history, proforma not required. Do not include in cash flow, taxes, family living or Sch A Int.