
	UNDERWRITING GRID Farm and Ranch Loans								
	Full Underwrite								
	Lifestyle Ranch	Fast Track	Seasoned Loan	Ag Equity	Standard ND, SD, MN, IA, IL, IN, OH, MO, NE	Standard All Other States	Choice Loans	Ag Assist	
TDC - Proforma Total Debt Coverage	N/A	≥ 1.00	N/A	≥ 1.35	≥ 1.25	≥ 1.25 ≥ 1.50	≥ 1.50	≥ 1.10	
Annual P&I/Gross Income	≤ 39%								
CR - Proforma Current Ratio	≥ 1.00	≥ 1.00	N/A	≥ 1.25	≥ 1.25	≥ 1.25	≥ 1.50	≥ 1.10	
DA - Leverage: Proforma Debt/Asset	≤ 55%	≤ 40%	N/A	≤ 50%	≤ 50%	≤ 50%	≤ 40%	≤ 60%	
Loan Size	≤ \$3,000,000	≤ \$1,500,000	105% of Balance			> 5 mm ≤ 5mm			
LTV	≤ *70%	≤ 55%	≤ 60%	≤ 50%	≤ 60%	≤ 60% > 60% ≤ 70%	≤ 60%	≤ 45%	
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	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	≥ 660	
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	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	10, 15, 20, 25 or 30	
Cashout Limitation	No cash out	not limited	≤ 5%	not limited	≤ 25%	≤ 25%	≤ 25%	not limited	
Permanent Planting Loan Security	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Other	<p>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.</p>	<p>Operation must demonstrate that it is viable. Recent 2 years tax returns needed.</p>	<p>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.</p>	<p>Value of any improvements, including permanent planting will be deleted from AV to determine LTV.</p>	<p>Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths</p>	<p>Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths</p>	<p>Unlimited cashout if amortization is 15 years or less and LTV is less than 60% (50% if loan exceeds \$3.0mm) with compensating strengths</p>	<p>Ag Assist involves a first mortgage Farm and Ranch loan up to 45% LTV combined with a government sponsored second mortgage providing credit enhancement. Loan approval contingent on state or federal program second mortgage being in place. State or federal program exposure must constitute 25% of gross loan balance. Does not qualify for Choice Pricing.</p>	

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

	UNDERWRITING GRID (cont.)																
	Facility Loans								Total Debt Coverage Calculation	Lifestyle Ranch Debt Coverage Calculation							
	Cow/Calf Ranch Loans	Timber		Poultry	Swine	Feedlot Dairy	Packing Houses	Other Facilities, etc.	NUMERATOR	NUMERATOR							
TDC - Proforma Total Debt Coverage	≥ 1.25	≥ 1.25	≥ 1.50	≥ 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	≥ 1.25		+Depreciation								
DA - Leverage: Proforma Debt/Asset	≤ 50%	≤ 50%		≤ 65%	≤ 60%	≤ 50%	50% or LTD/NW 80%		+Interest on Debt	DENOMINATOR							
Loan Size		> 5 mm	≤ 5mm			≤ 5 mm	> 5 mm	≤ 5 mm <65%, >5 mm 60%	> 60% and ≤ 65%		+Capital Lease Payments						
LTV	≤ 60%	≤ 60%	> 60% ≤ 70%	see detail below	see detail below	≤ 65%	≤ 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	≥ 680		+P&I on debt	Business Inc Sch C							
Term (in Years)	10, 15, 20, 25 or 30	10, 15, 20, or 30		10-15 years	10-15 years	10-15 years	10-15 years		+Capital Lease Payments	Other Gains/Losses 4797							
Contract required		yes		yes	yes					Rental Inc Sch E							
Amortization (in Years)	10, 15, 20, 25 or 30	10, 15, 20, 25 or 30		10/15 year & REL	10/15 year & REL	10/15 year & REL	15 years and REL			Farm Inc Sch F							
Cashout Limitation	≤ 25%	≤ 5%		No Cash-Outs	No Cash-Outs	No Cash-Outs	No Cash-Outs			Olther Inc Sch B							
Permanent Planting Loan Security										Other Inc Sch C							
Other	<p>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.</p>	<p>30 year terms loans must use 10 or 15 year VRM. Appraiser must be registered forester and include a timber cruise or appraiser must engage forester to provide timber valuation which is to be integrated into the appraisal.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>Operation must be large enough to be economically viable.</p>	<p>Operation must be large enough to be economically viable.</p>	<p>Operation must be large enough to be economically viable.</p>									
																	Plus Adjustment
																	Farm Dep Sch F
																	Non Farm Dep
																	Farm Int Sch F
																	Non Farm Int Sch C, E
																	Minus Adjustments
																	Non-Recurring

ZAF Basic Underwriting Grid 7-1-2016.xls