

FARM & RANCH CONVERSION GUIDE

Conversion Eligibility

- Conversion must be effective on a scheduled payment date or a rate reset date.
- Borrowers may not convert into or out of: 7/1 & 10/1 ARM, 20-, 25- & 30-YR Fixed.
- Maturity date upon conversion must equal the original maturity date – it cannot change.
- Amortization upon conversion must equal the remaining amortization of the original loan – it cannot change.
- If converting to a product with a rate reset, the maturity date cannot be less than the first rate reset date (e.g., loan with 7 years remaining to maturity cannot convert to a 10-YR VRM).
- All applicable prepayment premiums must be paid (i.e., 5-YR VRM Yield Maintenance) prior to conversion.
- Same product conversions are not allowed (e.g., 3-year VRM converting to 3-year VRM).

Conversion Fees, Pricing & Rate Lock

Period of Time	Fee Percentage	Minimum Fee	Maximum Fee
Conversions ≤ 1 year since Purchase Date	1.25%	\$2,000	No Maximum
Conversions > 1 year since Purchase Date	0.75%	\$2,000	No Maximum
ARM & VRM Products at Rate Reset Date	Flat Fee - \$2,000	\$2,000	\$2,000
AgEquity RLOC Draw Period*	No Fee - 0%	Not Applicable	Not Applicable

*AgEquity loans may convert during the draw period. After the draw period expires, standard conversion fees apply.



- ✓ Refer to Farm & Ranch daily rate sheets for conversion pricing.
- ✓ Conversion pricing is based upon original designation (i.e., Standard or Choice) at the time of credit approval/underwriting.
- ✓ Loan conversions are not eligible for ABA/ICBA pricing discounts.
- ✓ Rate locks may be accepted up to 60 days prior to effective date of conversion.
- ✓ Upon rate lock, mandatory delivery applies. Any withdrawn rate locked loan will be charged a pair-off fee up to 1.25% of the locked loan amount.

Conversion Process

All conversion activities and fees will be coordinated directly with your Central Servicer. They will ensure conversions are handled timely, correctly, and in accordance with the loan documents and Farmer Mac Seller/Servicer Guide.

