

## LOAN APPLICATION GUIDE

- 1 **Application For Loan**

Please complete in detail. This form should be signed and dated by all applicants, then submitted to our office with all other required information.
- 2 **Current Personal Financial Statement**

This form should provide the following:

  - a. Complete itemized list of all assets and liabilities.
  - b. Repayment schedule for all liabilities including the lender's name, interest rate, debt amount, final due date and payment amount.
- 3 **Current Business Or Entity Financial Statement**

This form should be prepared by you or your CPA and provide the business financial information according to item #2 (a) and (b) above, if applicable.
- 4 **Income Verification**

Income verification for the prior 3 year(s) should be furnished for all applicants and may be in the form of one of the following:

  - a. Income Tax Returns (complete with all schedules attached) or
  - b. Income/Expense statements, etc. prepared by your accountant or certified thereto.

Also, if you have mineral or royalty income, please contact us regarding the possibility of additional information needed to determine production longevity and income potential.
- 5 **Partnership, Corporation, Or Other Entity**

If you own an interest in any partnership, corporation, or other entity, please furnish a separate current financial statement as in #3 above and income verification for the entity as in #4 above.
- 6 **Investment / Liquid Asset Account(s)**

Please provide a copy of the most recent investment and/or liquid asset account statements.
- 7 **Earnest Money Contract, If Applicable**

If available, please provide a copy of the earnest money contract.
- 8 **Detailed Legal Description**

Please provide a copy of the metes and bounds description and/or field notes for the land to be offered as security for the loan. An aerial photograph and/or surveyor's plat is useful and should be furnished if available.
- 9 **Property Map**

A copy of map showing the location of tract of land offered as security should be provided.
- 10 **Plat and Restrictions Of Rural Subdivision**

A copy of the plat and the rural subdivision restrictions should be provided ~ if available.
- 11 **Copy of Driver's License for all applicants**
- 12 **Other / Special Instructions**

Additional information may be requested depending on the complexity of your financial position.







## OTHER INFORMATION

Where did you hear about Southern AgCredit?

Existing Borrower  Previous Borrower  Personal Contact  Billboard  Other Media  Realtor

Other:

## DISCLOSURES

PRIVACY ACT NOTICE: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required by law. You do not have to provide this information, but if you do not, your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37, (if VA); by 12 USC, Section 1701 et seq. (if HUD/FHA); by 42 USC, Section 1425b (if HUD/CPD); and Title 42USC, 1471 et seq., or 7 USC, 1921 et seq. (if USDA/FSA).

HUD/FHA LOANS - NOTICE TO BORROWERS: This is notice to you as required by the right to Financial Privacy Act of 1978 that HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

Pursuant to 18 USCS § 1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property or security in connection with this loan application.

### **Right to Request Specific Reason for Denial:**

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact the Credit Department within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement. The address and telephone number is: **Southern AgCredit, ATT: Credit Department, 402 West Parkway Place, Ridgeland, MS 39157, 800-499-5742.**

### **Equal Credit Opportunity Act Notice:**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

### **Right to Receive a Copy of Appraisal Report:**

The following disclosure applies if the loan is to be 1) for any purpose and secured by a first lien on my (our) dwelling or 2) for a consumer purpose, secured by any lien on my (our) principal dwelling, and with an interest rate that is higher than certain average rates in the market:

**THE ASSOCIATION MAY ORDER AN APPRAISAL TO DETERMINE THE PROPERTY'S VALUE AND CHARGE YOU FOR THIS APPRAISAL. THE ASSOCIATION WILL PROMPTLY GIVE YOU A COPY OF ANY APPRAISAL, EVEN IF YOUR LOAN DOES NOT CLOSE. YOU CAN PAY FOR AN ADDITIONAL APPRAISAL FOR YOUR OWN USE AT YOUR OWN COST**

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

**PLEASE RETAIN A COPY OF THIS PAGE. IT CONTAINS IMPORTANT DISCLOSURES.**





FINANCIAL STATEMENT

Name(s) \_\_\_\_\_

For the purpose of procuring credit, the undersigned hereby submits the following statement of condition as of \_\_\_\_\_. The Undersigned certifies that the below statement, schedules and attachments (if any) are a true and correct account of the conditions of my/our business on the above stated day.

Table with columns: ASSETS, AMOUNT, LIABILITIES, AMOUNT. Sections include CURRENT (Less than 1 year), INTERMEDIATE (1-7 years), and Real Estate. Rows list various assets like Cash, Savings, Stocks, and liabilities like Lender, Int. Rate, Final Mat. Date, Payment Amt., Balance. Totals for Current, Intermediate, Long Term/Fixed Assets, and Liabilities are provided, along with a NET WORTH calculation.

Total amount of life insurance carried: \_\_\_\_\_ Total amount of life insurance assigned: \_\_\_\_\_

Have you been the beneficiary of a loan restructuring, debt forgiveness, deed in lieu of foreclosure ("dation en paiement" in Louisiana) or subject to foreclosure within the past 7 years?  Yes  No If Yes, state which action and date: \_\_\_\_\_

Judgments and suits are pending against me as follows (attach copies): \_\_\_\_\_

Have you ever gone through bankruptcy?  Yes  No If Yes, When: \_\_\_\_\_

Value of growing or unharvested crops: \_\_\_\_\_

I own an interest in the following:  Partnership  Corporation  Trust  Estate  not applicable.  other: \_\_\_\_\_



Is any part of the downpayment borrowed?  Yes  No If Yes, which Lender: \_\_\_\_\_

Are you liable on any notes by endorsement or guaranty in relation to any entities or businesses in which you claim an interest or to accommodate other people?  Yes  No  
 If yes, show amount, interest rate, due date and amount of payment (not included in the above statement).

Amount	Int. Rate	Due Date	Amount of Payment

I (we) certify that the foregoing, including all schedules and attachments, is true and correct to the best of my (our) knowledge and fairly presents my (our) financial position as of the aforesaid date; and I (we) further acknowledge that this lender is protected by federal statutes that make it a criminal offense to make a false statement in the above presentation of financial worth or to sell or convert to my (our) own use any property mortgaged to the lender. Pursuant to 18 USCS {1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property, or security in connection with this loan application.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

**Schedules**  
(use attachments as necessary)

SCHEDULE 1-MACHINERY AND EQUIPMENT					SCHEDULE 2-LIVESTOCK				
No	Item	Make	Year and Model	Present Value	Number of Head	Kind	Breed	Mkt. Value Per Head	Amount
					Total				
					Held for Breeding (including dairy) SCHEDULE 2B				
Total					Total				

**SCHEDULE 3-FARM PRODUCTS AND FEED ON HAND**

Crop	Quantity	Market Value Per Unit	Total Value	Crop	Quantity	Market Value Per Unit	Total Value
				Total			

**SCHEDULE 4-STOCKS AND BONDS**

Name	No. of Shares	Market Value	Pledged (yes or no)	Name	No. of Shares	Market Value	Pledged (yes or no)

**SCHEDULE 5-NOTES RECEIVABLE**

Debtor	Secured By	Final Due Date	Amount	Int.	Payment Per Mo./Yr.



## YOUR INVESTMENT IN YOUR FARM CREDIT SYSTEM ASSOCIATION

As a member, you should be aware that your Agricultural Credit Association, Federal Land Credit Association, or Production Credit Association ("association") is part of the federal Farm Credit System serving local agriculture in the Tenth Farm Credit District. The associations originate agricultural loans directly and make financially related services available to their members. Since associations are organized as cooperatives, you invest in the capital stock or participation certificates of the association as a condition to receiving a loan from the association or to qualify for financially-related services. This means that only persons eligible to hold stock or participation certificates can borrow from associations and that borrowers are a source of capital for an association. In addition, holders of stock or participation certificates can qualify for financially-related services. To assist you in understanding how stock and participation certificates work at your association, the most common questions and their answers are listed below. If you have additional questions, please contact your association.

Q. *WHAT IS VOTING STOCK AND WHO CAN BUY IT?*

A. Voting stock is stock required to be purchased as a condition to receiving a loan carrying the right to vote on all matters which stockholders have the right to decide under the Farm Credit Act, Farm Credit Administration regulations or your association's bylaws. Voting stock can be purchased only by farmers, ranchers or producers or harvesters of aquatic products. Following cooperative principles, each member normally has only one vote regardless of the number of shares owned. The only exception is when stockholders authorize the issuance of preferred stock, when each stockholder's vote is weighted according to the number of shares owned. The par value of each share is \$5.00, which is also the purchase price.

Q. *WHAT DOES VOTING STOCK OWNERSHIP GIVE ME?*

A. A holder of voting stock is entitled to vote to select members of the Nominating Committee, to vote in the election of directors to the association's board of directors, to make motions and second motions at the annual stockholders meeting, to vote on measures brought before the meeting, and to vote on certain other matters relating to corporate governance. In addition, a voting stockholder is generally eligible to serve as a director or as a member of the Nominating Committee.

Q. *WHAT ARE PARTICIPATION CERTIFICATES?*

A. Your association may make rural home loans and certain farm-related business loans. These borrowers are not eligible to hold voting stock but must instead purchase participation certificates as a condition of receiving a loan. In addition, persons who are eligible to borrow may purchase participation certificates in order to qualify for financially-related services. Owners of participation certificates do not have voting rights except when stockholders authorize the issuance of preferred stock and are not eligible to serve on the association's board of directors. In all other respects, stock and participation certificates have the same rights and restrictions.

Q. *WHAT DETERMINES THE AMOUNT OF STOCK I MUST BUY?*

A. The minimum level of stock purchase requirements for loans and financially-related services is determined from time to time by the association board of directors within a range set forth in the association's capitalization bylaws which are subject to the approval of stockholders.

Q. *HOW DO I BUY STOCK?*

A. The money needed to buy the required amount of voting stock or participation certificates can be included in your association loan request. If your loan request includes stock, the promissory note that you sign will include the amount necessary to purchase the required stock or participation certificates. In that case, you will also pay interest on the stock portion of your loan. The total amount of your loan, including stock or participation certificates, must be repaid in full. Under certain circumstances stock or participation certificates may be purchased during the life of the loan. Such purchases may be paid for in cash or by adding the purchase price to your loan. Purchases of stock or participation certificates to qualify for financially-related services shall be paid for in cash.

Q. *IN WHAT FORM IS MY STOCK ISSUED?*

A. Your association issues a receipt for stock and participation certificates at the time they are issued. Ownership of the stock or participation certificates is recorded on the books of the association.

Q. *DOES VOTING STOCK EARN DIVIDENDS OR PATRONAGE REFUNDS?*

A. Ownership of voting stock may make you eligible to receive patronage refunds based on business done with the association or dividends based on the number of shares of voting stock or participation certificates you hold when the association board, at its sole discretion and upon review of the association's financial performance, declares a dividend or patronage distribution.

Q. *DOES STOCK CHANGE IN VALUE?*

A. The \$5.00 per share par value of your association stock or the \$5.00 face value of your participation certificates does not change, but the book value could increase or decrease depending on the financial condition of your association. Any retirement, however, will be at the lower cost of par value or book value.

Q. *HOW DOES DEFAULT AFFECT MY INVESTMENT?*

A. The association has a first lien on your stock or certificates and on any dividends, patronage and allocated surplus or equities as additional collateral for your loan(s) or any other indebtedness to the association. In the event of a default on the loan(s), all or part of such equities or amounts may be applied to the loan(s), or under certain circumstances, may be otherwise disposed of when approved by the lender.



Q. *IS THERE A RISK ASSOCIATED WITH MY STOCK INVESTMENT?*

A. Yes. Your ownership of stock or participation certificates in an association is an investment that allows you to share in the association's earnings through patronage refunds and/or dividends, but which is also subject to certain risks that could result in a partial or complete loss of the investment. It is not a compensating balance. The ultimate value of the stock is dependent on the future financial performance and condition of the association over time. Therefore, you cannot assume that stock will be redeemed on demand or upon a date certain or upon the happening of any event, such as repayment of the loan (as could be the case if the investment were considered a compensating balance). You are responsible for the full amount of your loan including the amount borrowed to pay for your stock or certificates, regardless of their book value. Borrowers are advised to review the financial statements of their association, the association's capitalization bylaws and other available information about the Farm Credit System, copies of which are provided herewith and are available from the association upon request.

Q. *WHAT HAPPENS TO THE STOCK IF AN ASSOCIATION IS LIQUIDATED?*

A. If an association is liquidated, the law prohibits stock retirements until the assets of the association are used to meet liabilities of the association. The assets of the association which remain when the liquidation is completed are all divided on a pro rata basis among current stockholders according to the proportion of stock they own.

Q. *WHAT HAPPENS TO MY STOCK WHEN THE LOAN IS REPAYED?*

A. Provided that the capital strength of your association permits it and unless used by you to capitalize other indebtedness, your stock may, in the board's sole discretion, be retired and the proceeds repaid to you upon final payment of the indebtedness or upon termination or completion of the financially-related services or at such future date as the board may determine that the association's financial strength permits.

Under the Farm Credit Act of 1971, as amended, Farm Credit Administration regulations and the association's capitalization bylaws, stock may be retired only at the sole discretion of the association's board of directors and not on demand, a date certain, or upon the happening of any event, such as repayment of the loan. The Act and regulations prohibit retirement of stock when the association fails to meet its minimum capital adequacy standard as established by the Farm Credit Administration and the bylaws prohibit retirement when the association does not meet any higher board-established capital adequacy standard. The association board will maintain a capital plan and implement policies and procedures which will allow for the orderly retirement of stock, when requested by a stockholder, in a safe and sound manner consistent with FCA's capital adequacy requirements. In the association's capital plan, a capital adequacy standard will be established by the association board of directors. The board will not approve the retirement of any equities, dividends or payment of patronage distributions in cash in excess of the minimum to qualify the refund as a deductible patronage distribution for federal income tax purposes, unless after the retirement and/or distribution the association would continue to meet its established capital adequacy standards, and in no event will the board retire equities if the minimum permanent capital standard established by the Farm Credit Administration is not met.

Q. *DOES THE ASSOCIATION MEET ITS CAPITAL ADEQUACY STANDARDS?*

A. As of the date of this disclosure, the association meets or exceeds the minimum permanent capital adequacy standard established by the Farm Credit Administration and the standard set by the association board. The association board of directors knows of no reason that would cause the association to fail to meet the capital standard established by the board or the minimum established by Farm Credit Administration at fiscal year-end. However, as discussed in the annual report, uncertainties exist regarding matters that could have an impact on the association's capital adequacy which the association board cannot determine at this time.



**ENVIRONMENTAL QUESTIONNAIRE**

In completing this form, the undersigned certify(ies) that the foregoing is true and complete to the best of their knowledge.

Name:  Loan number(s):

Current Owner:  Number of years owned this property:

Previous Owner:  Number of years owned this property:

Description of Security (brief description giving area, location, size, etc.)

Yes  No Have you received notice from any governmental authority concerning any toxic or hazardous material on the property? If yes, explain:

Yes  No Is the property or any adjacent property on any federal, state or local hazardous waste list or record? If yes, explain:

Yes  No Are there any underground or above-ground storage tanks other than water tanks on the property? If yes, complete:

Number of tanks  Location

Size of tanks  Material presently stored

Past uses  Present or past leaks

Are tanks in compliance with regulations and permits obtained?  Yes  No

Yes  No Are there any open pits (active or abandoned), covered dumps, debris or trash piles, abandoned machinery or vehicles on this property? If yes, explain:

Yes  No Are there any pesticides, herbicides, chemicals, paint, petroleum products, hazardous materials or empty containers stored or disposed of on this property? If yes, explain:

Yes  No Is a custom chemical application business being operated or has one previously been operated on this property? if yes, explain:

Yes  No Is there or has there been an oil, gas or chemical pipeline crossing this property? If yes, complete:  
 Pipeline company  Material transported   
 Have there ever been any leaks?  Yes  No If yes, explain:

Yes  No Is a livestock operation or livestock facility such as dairy barn, hog farrowing/feeding houses, poultry houses, etc. on this property? If yes, explain:

Yes  No Are there any holding ponds or lagoons of any type on this property? If yes, explain:

Yes  No Are there any existing, potential or past environmental hazards which have not previously been addressed? (Contaminated wells, past manufacturing or industrial site, asbestos, radon, PCBs, urea formaldehyde insulation or unexplained features, etc.) If yes, explain:

Yes  No In the course of your business, do you use hazardous material requiring licensing? If yes, explain if any of these materials have been used or are to be used on this property:



**AUTHORIZATION AGREEMENT**

TO WHOM IT MAY CONCERN:

I/We hereby authorize Southern AgCredit, ACA and/or its affiliates ("Southern AgCredit"), to obtain credit reports, employment and income verifications, information related to deposits, credit, asset values, insurance coverage, FSA program payments/crop bases and any other information that may be required by Southern AgCredit, to complete the processing of my/our application. This authorization remains valid for all future renewals/extensions, loan servicing actions and for purposes of loan monitoring as part of any ongoing credit quality program by Southern AgCredit. I/We hereby instruct any credit reporting agency, firm or other person to provide such information that may be requested by Southern AgCredit, ACA, as outlined above.

I/We further authorize Southern AgCredit to in turn provide any such information obtained, to the Small Business Administration ("SBA"), Federal Agricultural Mortgage Corporation ("Farmer Mac"), Farm Service Agency ("FSA"), Mississippi Development Authority ("MDA"), any agency or affiliate of the United States Department of Agriculture ("USDA") or any other state, federal or private agency or entity which offers guarantees, grants, assistance payments or other similar type of benefit related to loans of the type I/We are seeking from Southern AgCredit or to any individual or organization which "packages" or "processes" applications for loans, loan guarantees, grants, assistance payments or other similar type of benefit for any of the entities referenced herein. Such information as needed may also be provided to any appraiser retained or hired by Southern AgCredit to provide an appraisal of my/our property in furtherance of my/our loan application and/or obtaining a guaranty, grant, assistance payment or other similar type of benefit related to my/our loan. Such release of information shall be limited to the information necessary for an entity to evaluate and/or process an application related to my/our loan from Southern AgCredit.

A photographic copy of this authorization [being a photocopy of the signature(s) of the undersigned] may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply to Southern AgCredit, ACA, will help expedite my/our application.

Thank You,

Signature of Applicant	Date	Signature of Applicant	Date
SSN <input type="text"/>	<input type="text"/>	SSN <input type="text"/>	<input type="text"/>

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