

Low Interest Loans

Program	Funding Limits	Use of Proceeds	Terms and Maturity	Fees	Qualifications
AgBMP Loans www.mda.state.mn.us/grants/loans/agbmploan	<ul style="list-style-type: none">\$200,000 maximum loanMay have multiple loansTotal of all outstanding loans cannot exceed \$200,000	Any project or practice that helps water quality such as conservation tillage equipment, feedlot improvements, manure management equipment, well improvements, and any septic system, as well as many other practices that can be reviewed by your local government	<ul style="list-style-type: none">Maximum loan length of 10 yearsMaximum interest rate of 3%Lender may require collateralBorrower must meet lender's lending criteria	Lender may charge customary fees AgBMP: no fee	<ul style="list-style-type: none">Project must protect or improve water qualityFarmer, Rural Landowner, or Farm Supply Business may applyContact your local government to review and approve projects. Local contacts can be found at www.mda.state.mn.us/agbmploan
RFA Beginning Farmer Loan Program www.mda.state.mn.us/business-dev-loans-grants/beginning-farmer-loan-program	<ul style="list-style-type: none">RFA participation: 45% of first mortgage with a maximum of \$400,000	Purchase of farm real estate	<ul style="list-style-type: none">RFA portion - 2.0% interest rateLender and seller portion - negotiatePay at least 10% down of appraisal value15-30 year termsRFA participation will balloon after 10 years	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Applicant must farm unit and be or intend to become a full-time farmerNet worth of less than \$903,000 (including spouse and dependents)Sufficient education or experience to succeed in intended farming practiceAgree to enroll in farm business management program and consult with your local Soil and Water Conservation District officeAgree to obtain credit life insurance to cover the purchase the property
RFA Seller-Assisted Loan Programs www.mda.state.mn.us/seller-assisted-loan-participation-program					
RFA Agricultural Improvement Program www.mda.state.mn.us/agricultural-improvement-loan-program	<ul style="list-style-type: none">RFA participation: 45% of first mortgage with a max. of \$400,000	Finance capital improvements to farming operation. Can be used to improve land and/or structures, efficiency, productivity, or increase farm income. Also includes wind energy conversion up to one megawatt (limited refinancing)	<ul style="list-style-type: none">RFA portion - 2.25% interest rateLender portion - negotiate1-15 year termsRFA participation will balloon after 10 years	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Applicant must farm unit and be or intend to become a full-time farmerNet worth of less than \$903,000 (including spouse and dependents)Have sufficient education or experience to succeed in intended farming practiceConsult with your local Soil and Water Conservation District office
RFA Livestock Expansion Program www.mda.state.mn.us/livestock-expansion-loan-program	<ul style="list-style-type: none">RFA participation: 45% of first mortgage with a max. of \$525,000	Finance improvements to livestock facilities (purchase of livestock not allowed) (no refinancing)	<ul style="list-style-type: none">RFA portion - 2.5% interest rateLender portion - negotiate1-15 year termsRFA participation will balloon after 10 years	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Must farm unit full-time; at least one of the applicants must be the principal operator and actively engaged in a livestock operationNet worth of less than \$1,919,000 (including spouse and dependents)Show financial need and ability to repay loan
RFA Restructure II Program www.mda.state.mn.us/restructure-ii-loan-program	<ul style="list-style-type: none">RFA participation: 45% of first mortgage with a max. of \$525,000	Restructure of agricultural debt for farmers in good credit standing experiencing trouble meeting cash flow due to adverse events	<ul style="list-style-type: none">RFA portion - 2.5% interest rateLender portion - negotiate1-30 year termsRFA participation will balloon after 10 years	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Net worth of less than \$1,919,000 (including spouse and dependents)Have received 50% of gross income from farming in past three yearsHave operating expenses that do not exceed 95% of incomeConsult with your local Soil and Water Conservation District office
RFA Livestock Equipment Loan Program www.mda.state.mn.us/livestock-equipment-loan-program	<ul style="list-style-type: none">RFA participation: 45% of equipment loan with a max. of \$100,000	Finance the purchase of livestock equipment for housing, confinement, feeding, watering, fencing, milk production and waste management (no refinancing)	<ul style="list-style-type: none">RFA portion - 2% fixed interest rateLender portion - negotiate1-10 year terms	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Must farm unit full-time; at least one of the applicants must be the principal operator and actively engaged in a livestock operationNet worth of less than \$490,077 (including spouse and dependents)Show financial need and ability to repay loan
RFA Disaster Recovery Loan Program www.mda.state.mn.us/disasterloan	<ul style="list-style-type: none">RFA participation: 45% of loan with a max. of \$200,000	Finance, repair or replacement of structures and resources not covered by insurance after natural disaster. Replace flocks, make building improvements, or cover loss of revenue due to avian influenza	<ul style="list-style-type: none">0% or less fixed interest rate1-10 year terms	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Certify that the damage or loss was sustained within a county that was subject of a state or federal disaster declaration, or due to avian influenzaHave received 50% of average gross annual income from farming in past three years
RFA Value-Added Stock Loan Program www.mda.state.mn.us/value-added-stock-loan-program	<ul style="list-style-type: none">RFA participation: 45% of loan with a maximum of \$40,000No more than 95% of purchased stock value will be loaned	Finance the purchase of stock shares in commodity processing business	<ul style="list-style-type: none">2% fixed interest rate1-8 year terms	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Producer must grow the ag product which is to be processed by an agricultural product processing facilityHave a total net worth of less than \$490,077 (indexed for inflation), including the assets and liabilities of spouse and dependents
Methane Digester Loan Program www.mda.state.mn.us/methane-digester-loan-program	<ul style="list-style-type: none">\$250,000	Finance the purchase and construction of a system designed to produce electricity from manure May be used as match for Federal loan/grant	<ul style="list-style-type: none">0% interest rate1-10 year terms	\$100 application fee (non-refundable)	<ul style="list-style-type: none">Provide evidence that the practices implemented and capital assets purchased will be properly managed and maintainedHave not previously received a loan under this program
Farm Opportunity Loan Program www.mda.state.mn.us/business-dev-loans-grants/farm-opportunity-loan-program	<ul style="list-style-type: none">45% of the principal amount up to \$100,000 per individual;45% of the principal amount up to \$250,000 per group	Finance machinery or equipment to add value to crops or livestock; adopt best management practices; reduce or improve management of ag inputs resulting in environmental improvements; or increase production of on-farm energy (no refinancing)	<ul style="list-style-type: none">2% fixed interest rate for 10 years	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">Must farm unit and farm full-timeShow financial need and ability to repay loan
Pilot Agriculture Microloan Loan Program www.mda.state.mn.us/pilot-agricultural-microloan-program	<ul style="list-style-type: none">Max Loan of \$20,000 or 70% of the Farms Marketable product value whichever is less.Up to a max of a 6 year term	Assist non-traditional farmers by providing lending capital while developing their farm business towards traditional agricultural credit. Farmers can borrow for working capital	<ul style="list-style-type: none">up to a max of 10% interest1-6 year terms	RFA: \$50 application fee (non-refundable)	<ul style="list-style-type: none">resident of the State of Minnesota, utilizing funds towards the production and marketing of specialty crops, with ability to repay the loan. anda member under Minn. Stat. § 43A.02, subdiv. 33 or under Minn. Stat. § 256B.06, subdiv. 4, par. (b)
RFA Beginning Farmer/Aggie Bond www.mda.state.mn.us/business-dev-loans-grants/aggie-bond-beginning-farmer-loan-program	<ul style="list-style-type: none">\$533,500 max loan\$250,000 for new depreciable property\$62,500 max for used depreciable asset	Purchase of farmland, buildings, new or used depreciable ag property such as breeding livestock, dairy livestock, and machinery	<ul style="list-style-type: none">Reduced interest rate for buyer and tax benefit for lender	RFA: \$50 application fee (non-refundable) 1.50% origination fee	<ul style="list-style-type: none">Net worth less than \$903,000Never have owned more than 30% of county median sized farmAgree to enroll in farm business management program and consult with local Soil and Water Conservation District