



Minnesota Down Payment Assistance Grant FY 2025 Request for Proposals (RFP)

Applications due by 11:59 p.m. on September 15, 2024

Contents

- Grant Summary.....1
- Overview.....1
- Funding availability.....1
- Eligibility2
- Eligible applicants2
- Eligible purchases3
- NOT eligible3
- Matching Funds3
- How to Apply and Grant Timeline4
- Apply two ways.....4
- After approval.....4
- How to submit questions.....5
- Application Review Policies6
- Review and award process6
- Conflicts of interest6
- Privacy notice and data classification.....6
- Requirements for Grant Recipients8
- Accountability and reporting.....8
- Grant award agreement and payments8
- Project audits.....8
- Affirmative action and non-discrimination policy8
- Voter registration requirement.....9
- Application Definitions and Questions 10
- Definitions 10
- Application questions 10

Grant Summary

Overview

The Minnesota Down Payment Assistance Grant offers up to **\$15,000 for qualified farmers to purchase their first farm**. The grant program is administered by the Minnesota Department of Agriculture's (MDA) Rural Finance Authority (RFA) as part of the RFA's mission to develop the state's agricultural resources.

The intent of the grant program is to help farmers invest in farm ownership. With the average age of farmers rising in our state, farm succession and legacy planning is increasingly important to the sector.

Funding availability

The Minnesota State Legislature appropriated \$1 million for each year of this program for fiscal years 2024 and 2025 (which run July 1 to June 30). Any unused balance from FY24 will be available to use in FY25.

The MDA will award these grants using a random lottery process, with priority given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or specialty crops. Eligibility is further detailed on the next page. If you do not meet this priority criteria, you may still apply.

Eligibility

Eligible applicants

Applicants must:

- Be an individual. Farms structured as LLCs, partnerships, nonprofits, and other businesses must apply and purchase land as an individual. Loans may be in the business name if the individual is on the deed.
- Be a resident of Minnesota.
- Gross less than \$250,000 from the sale of farm product in the most recent tax year.
- Applicants and their spouses must not have any previous direct or indirect ownership in farmland.
- Applicant must not be related by blood or marriage to the owner of the farmland that the individual intends to acquire.
- Provide most of the day-to-day physical labor on the farm.
- Plan to own the farmland for at least five years. Awardees who do not will pay a penalty to the commissioner equal to 20% of the grant amount for each year that is applicable.
- Be in good standing with the state of Minnesota:
 - No back taxes owed.
 - No defaults on Minnesota state-backed financing for the last seven years.
 - Acceptable performance on past MDA grants.
 - Compliant with current state regulations.
- Must not have been convicted of a state or federal criminal offense related to a state grant agreement.

Priority applicants:

- Gross less than \$100,000 from the sale of farm product in the most recent tax year, or
- Produce one or more of the following crops:
 - Industrial hemp
 - Cannabis
 - Specialty crops defined by the United States Department of Agriculture: fruit and vegetables, medicinal plants, herbs and spices, horticulture crops, floriculture crops, nursery crops

Eligible purchases

Farm purchases must:

- Be a real estate purchase used for agriculture (tillable acres, commercial greenhouse, hog barn, etc.).
- Be within the borders of the state of Minnesota.
- Take place **after** approval of the application. The MDA cannot award grants retroactively for purchases that have already happened.
- Take place within six months after application approval letter or by June 30, 2025, whichever is sooner. Awardees may apply for an extension to this deadline if the grantee has signed a purchase agreement for the farmland they intend to purchase, or they are actively working with an RFA-approved technical assistance (TA) provider to purchase farmland. A list of approved TA providers is available on page 4 of this document.

NOT eligible

Ineligible transactions include but are not limited to:

- Farmland purchases made before approval of the application.
- Purchases for anything other than farmland. If your purchase includes a home or other non-agricultural improvement that is okay, but the appraisal value of the home will be subtracted from the farm price. The value of agricultural outbuildings may be included in the farm price.

Matching Funds

The Down Payment Assistance Grant requires each award to be matched with at least \$8,000 of other funding. Matching funds can be cash, loans, contract for deed, other grants, or any combination of these and other funding. The match does not need to be applicant cash.

This means, to receive the full \$15,000 grant maximum, an applicant must provide at least \$8,000 of alternate funding for the purchase. If the applicant is providing less than \$8,000, the maximum grant award will be equal to the amount they provide.

Examples

| Purchase Price | Applicant Cash | Other Sources | Grant Amount |
|----------------|----------------|----------------------------|--------------|
| \$400,000 | \$5,000 | \$380,000 loan | \$15,000 |
| \$25,000 | \$0 | \$10,000 contract for deed | \$15,000 |
| \$15,000 | \$2,500 | \$5,000 other grant | \$7,500 |

If approved, applicants must be able to provide documentation (approval letter, loan estimate, etc.) for other sources of funding and financing for the purchase.

How to Apply and Grant Timeline

Grants will be awarded through a random lottery process, with priority given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or specialty crops. Applications will **open on August 1, 2024, and close at 11:59 p.m. on September 15, 2024**. The random lottery drawing for awardees will take place by the end of September. You can review application questions on the last page of this document.

Apply two ways

1. Complete the online application, which will be available on the [program webpage](#) (mda.state.mn.us/downpayment). No pre-registration or account is required.
2. Email a PDF application. PDF applications will be available on the [program webpage](#). The MDA must receive your email between August 1 and September 15, 2024. Applications emailed before or after this time will not be eligible.

You will receive a confirmation email after submitting your application. **The MDA is not responsible for any technical or logistical problems resulting in not receiving your application or additional grant communication.** It is the responsibility of the applicant to ensure that the MDA receives your application and to check-in on the status of your grant application. **Contact the MDA if you do not receive a confirmation email after submitting your application.**

You may request a mailable copy of the application by calling 651-201-6316 or emailing RFA.loans@state.mn.us. However, we strongly recommend online or email applications to avoid potential mail delays. Mailable applications will be considered received on the date they are received at the MDA's office. The MDA is not responsible for any delays in the mailing process.

After approval

If an applicant is selected from the lottery and approved for the grant, applicants **must close their farm purchases within six months after approval** or by June 30, 2025, whichever is sooner. The MDA will award initial approvals in late September and may award approvals to applicants on the waitlist anytime between late September 2024 and June 2025 if initial awardees cancel or forfeit their grant awards.

Awardees may apply for an extension to this deadline if the grantee has signed a purchase agreement for the farmland they intend to purchase, or they are actively working with an RFA-approved technical assistance (TA) provider to purchase farmland, which include:

- [MDA Farm Advocates](#)
- [Local Farm Business Management instructors](#)
- [Farmland Access Navigators](#) (support available in multiple languages)
- [RFA-approved lenders](#)

After approval, the MDA will issue grantees an approval letter with the grant award amount and additional instructions. Grantees will receive funds as a direct deposit or check before closing their purchase.

If approved, applicants must provide:

- Purchase agreement within 30 days of their closing deadline (can be signed before or after application approval).
- Approval letter, loan estimate, or other proof of secured funds for the purchase.
- Most recent federal tax filing or signed affidavit confirming their farm sales.

Grantees will be required to attend a mandatory webinar after they receive their grant awards to learn more about the timeline and expectations for this grant. The MDA will communicate details about the webinar via email after grant approval. **If a grantee does not provide these documents by stated deadlines or attend the mandatory meeting (or arrange an alternative meeting time), they may lose their grant funds.**

Example timeline

1. Applicant begins loan application process with bank or Farm Service Agency (FSA) and finds farmland to purchase.
2. Applicant applies for Down Payment Assistance Grant.
3. The MDA approves application, and grantee receives approval letter valid for six months.
4. Within six-month approval period:
 - a. Applicant provides copies of purchase agreement, loan approval, and Schedule F to the MDA.
 - b. Applicant signs grant contract with the MDA.
 - c. Applicant receives grant funding from the MDA.
 - d. Farmland purchase closes.
5. Applicant sends sale settlement statement to the MDA within three days of closing.

How to submit questions

Applicants may submit questions by emailing RFA.loans@state.mn.us or calling 651-201-6316.

Application Review Policies

Review and award process

The MDA will review all complete applications submitted between August 1 and September 15, 2024, for eligibility. All eligible applications will be placed in a randomized lottery to determine the order in which grants are awarded. Regardless of the lottery order, priority will be given to eligible applicants with no more than \$100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or specialty crops.

If funding remains after the MDA has awarded grants to all priority applicants, the MDA will award as many grants as funding allows to all remaining applicants in the order of their lottery placement. The MDA developed the lottery procedure with consultants from the Minnesota State Lottery. It is published in a separate document on the [program webpage](#).

Applicants will be notified of award decisions in late September.

Conflicts of interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers ([MINN. STAT.16B.98 \(grants management process\)](#) and [Conflict of Interest Policy for State Grant-Making, 2022 \(Word\)](#)).

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to give impartial assistance or advice to the MDA due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicant or grantee will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Privacy notice and data classification

The information provided by an applicant will be used to assess the applicant's eligibility to receive a grant under this program. The decision to apply for this grant is voluntary, and applicants are not legally required to provide any of the requested information. Applicants may decline to complete this application without any legal consequence. However, only completed applications will be considered for a grant; incomplete applications will not be considered.

Data provided in this application is initially classified by the Minnesota Government Data Practices Act as private or nonpublic, although some or all of the data will generally become public at various points of the application process unless the data are otherwise classified by state or federal law. Access to private or nonpublic data is

limited to those authorized by law, including but not necessarily limited to MDA staff and contractors with a valid work assignment to access the data, parties authorized by the applicant, parties identified in a valid court order or federal subpoena, Minnesota Management and Budget, Minnesota Department of Administration, the state auditor, and the legislative auditor. If necessary, the MDA may also share the data with law enforcement or the Office of the Attorney General.

Per Minnesota's statute on grants ([MINN. STAT. 13.599](#)):

- Names and addresses of grant applicants, and the grant amount requested, will be public data once application responses are opened.
- All remaining data in application responses (except for data otherwise classified by law, including trade secret information, see below) becomes public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the MDA as part of the evaluation process (except trade secret information, see below) will generally be public data after the evaluation process is completed.

Procedure for claiming protection of trade secrets:

- Trade secret information is classified as not public data. In order to qualify as trade secret information, the data in question must be provided to the MDA by the affected person (i.e. the data must be about the applicant) and otherwise meet the legal definition found in statute ([MINN. STAT. 13.37, subd. 1\(b\)](#)). In order for an applicant to assert trade secret protection for data submitted as part of this application: the applicant must: 1) clearly identify the specific formula, pattern, compilation, program, device, method, technique or process that the applicant believes to be trade secret information; 2) describe what efforts the applicant takes to maintain the secrecy of the data; and 3) adequately explain how the data derive(s) independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons. Merely asserting trade secret protection does not, in and of itself, classify the data in question as not public; determining what data meet the definition of trade secret information is ultimately the legal responsibility of the MDA, and the MDA cannot guarantee that data identified as trade secret information by an applicant will be classified as such. If the MDA determines that data do not meet the definition of trade secret information, the data in question will be available to the public unless the applicant secures a court order saying otherwise.

All persons, businesses, and individuals applying for grants in the state of Minnesota must comply with applicable laws. Under the law titled Right of Setoff ([MINN. STAT. 270C.65, subd. 3](#)), a grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies, and to state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring a grantee to file state tax returns and pay delinquent state tax liabilities, if any.

Requirements for Grant Recipients

Accountability and reporting

Grantees are required to provide a settlement statement for their farmland purchase within three business days of closing. Grantees may be required to provide additional documentation for authorization purposes.

Follow-up reports are required to help us determine the long-term impacts of the grant. Grantees are required to respond to requests for follow-up information for up to five years beyond the term of the grant agreement. Failure to respond to these in a timely manner may impact your ability to secure future funding from the MDA.

Grant award agreement and payments

Grant contract agreement templates are available for review on the [Office of Grants Management Forms and FAQs](#) webpage.

Upon approval of an application and prior to receiving payment, the applicant is required to do the following:

- Register as a vendor in SWIFT, the state's accounting system or confirm that the information in SWIFT is still correct.
- Submit other required documentation within 30 days of award notification.
- Sign a grant contract agreement showing their intention to complete the proposed tasks. The agreement also authorizes the MDA to monitor the progress of the project. This agreement must be signed within 10 business days of being sent to the grantee.

Eligible expenses may only be incurred after the contract has been signed by all parties. Grantees agree that for each year they do not own and farm the land during the following five-year period, that they will pay a penalty to the commissioner equal to 20% of the grant amount.

Project audits

The grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate ([MINN. STAT. 16B.98, subd. 8](#)).

The grantee is responsible for the retention of documents and records relevant to the grant. This requirement will last for a minimum of six years from the grant agreement end date; receipt and approval of all final reports; or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative action and non-discrimination policy

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified ([MINN. STAT. 363A.02](#)). The grantee agrees to take

affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship ([Minnesota Rules, part 5000.3500](#)).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the [Minnesota Human Rights Act](#).

Voter registration requirement

The grantee will provide voter registration services for its employees ([MINN. STAT. 201.162](#)).

Application Definitions and Questions

Definitions

Minnesota resident: means the applicant has established a permanent home within Minnesota's borders and has no present intention of moving outside the state.

Good standing with the state of Minnesota:

- No back taxes owed.
- No defaults on Minnesota state-backed financing for the last seven years.
- Acceptable performance on past MDA grants.
- Compliant with current state regulations.

Direct ownership: is when an individual is the direct owner of farmland, shareholder in an operation that includes farmland, or the beneficiary of a life estate that includes farmland.

Indirect ownership: is any interest or traceable interest in farmland.

Application questions

Farmer information

- Applicant name and spouse's name (if applicable)
 - Note: Married couples may only submit one application
- Current mailing address
- Age at time of application (optional)
- Please check yes or no:
 - Are you a Minnesota resident?
 - Do you intend to purchase farmland as an individual or married couple? (LLCs, partnerships, nonprofits, corporations, and other businesses are not eligible)
 - Are you in good standing with the state of Minnesota?
 - Is the farmland you intend to purchase located within Minnesota borders?
 - Will you provide most of the physical labor and management for the farm you intend to purchase?
 - Do you agree that for each year you do not own and farm the land during the following five-year period, you will pay a penalty to the commissioner equal to 20% of the grant amount?
 - Did you gross less than \$250,000 in farm sales last year?
 - Did you gross less than \$100,000 in farm sales last year?
 - Have you or your spouse ever had direct or indirect ownership in farmland or other agricultural property (tillable acres, hog barn, commercial greenhouse, etc.)?
 - Do you intend to buy farmland from a family member or spouse's family member with this grant?
 - Have you been convicted of criminal offense related to a state grant agreement?

- What crops do you grow or intend to grow?
 - Barley
 - Beans, edible
 - Cannabis
 - Corn, field corn
 - Corn, sweet corn
 - Hay
 - Hemp, industrial
 - Herbs and spices
 - Flowers
 - Fruit
 - Medicinal plants
 - Nursery crops
 - Oats
 - Soybeans
 - Sugar beets
 - Sunflower
 - Tree nuts
 - Wheat
 - Vegetables
 - Other (please list):
 - Not growing crops
- What livestock do you raise or intend to raise?
 - Bees/honey
 - Cattle/calves
 - Dairy
 - Goats
 - Hogs
 - Poultry/eggs
 - Sheep
 - Other (please list):
 - Not raising livestock

Purchase information

- If available, please provide the following information about the farmland you are purchasing.
 - County
 - Number of acres
 - Sale price
 - Name of all sellers(s)
 - Estimated closing date
 - Legal description (section/sub-section, section, township, range)
 - E.g., SW ½ of NW ¼ , Sec. 20, Township 100, Range 50
- If available, does this farm purchase include a home or other non-agricultural improvement?

- If available, please provide planned financing amounts as applicable to your purchase:

| | Amount | Bank, Institution, or Grant Name |
|-------------------------------|---------------|---|
| Buyer cash | | |
| Down Payment Assistance Grant | | |
| Loan | | |
| Loan | | |
| Other grant | | |
| Other source | | |
| Other source | | |