

FARMER AC 2

SECONDARY MARKET FOR USDA GUARANTEED LOANS

The Farmer Mac 2 loan program allows lenders to sell the guaranteed portions of USDA loans directly to Farmer Mac's subsidiary, Farmer Mac 2 LLC. Eligible loans include:

- Farm Service Agency's Farm Ownership
- Farm Operating guaranteed loans
- Rural Development's Business & Industry, Community Facility guaranteed and Water
- Environmental Program loans.

Farmer Mac 2 accepts the quality of the USDA guarantee as a surrogate for underwriting, appraisal, and diversification standards it would otherwise impose.

QUALIFIED LOANS

Any USDA Farm Service Agency (FSA) Farm Ownership (FO) or term Operating Loan (OL) or USDA Rural Development Business & Industry (BI) or Community Facility (CF) or Water and Environmental Program (WEP) guaranteed loan is eligible for sale through Farmer Mac 2.

LOAN PRODUCTS

Loan products and terms have a direct impact on the pricing received in the Farmer Mac 2 secondary market. The following are recommended terms and structures for standard loan pricing:

- Wall Street Journal Prime (Open Prepayment)
- Farmer Mac 3-Mo COFI (Open Prepayment)
- Farmer Mac 5-Yr Reset COFI, 20, 25, 30-Yr Am (Open Prepayment)
- Farmer Mac 10-Yr Reset COFI, 20, 25, 30-Yr Am (Open Prepayment)
- Farmer Mac 15-Yr Reset COFI, 20, 25, 30-Yr Am (Open Prepayment)
- 7-Yr Fixed Rate, 7-Yr Am (Open Prepayment)
- 7-Yr Fixed Rate, 15-Yr Am (Open Prepayment)
- 15-Yr Fixed Rate, 15-Yr Am (Open Prepayment)
- 15-Yr Fixed Rate, 25-Yr Am (Open Prepayment)
- 20-Yr Fixed Rate, 20-Yr Am (Open Prepayment)

REQUIREMENTS TO APPLY FOR FARMER AC 2

- 3-years of tax returns
- Current market value balance sheet with schedules for each entity
And two prior years balance sheets with schedules if available
- Copies of asset and liability verifications (401k, billing statements, 1099 etc.)
- Non-farm income verifications (2 month paystubs or W-2)
- Projected Cash Flow for coming year
- Copies of signed agreements (rental, purchase)
- Signed credit release authorization

