



MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

1616 Missouri Boulevard
Post Office Box 630
Jefferson City, Missouri 65102-0630

Telephone: (573) 751-2129
Fax: (573) 522-2416
email: masbda@mda.mo.gov
mda.mo.gov

BEGINNING FARMER LOAN PROGRAM

APPLICATION

(Please print or type all information on this form and complete all questions)

NOTE: APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE FINAL LOAN APPROVAL. The MASBDA does have a present intention to issue its bond to fund the beginning farmer's loan. However, the MASBDA may refuse to complete loan processing or reduce the permitted loan amount, if, prior to loan closing, it is discovered that the project, in whole or in part, is ineligible for tax-exempt financing or if, due to changes in federal or state law or regulations, the project should become so ineligible. No loan "Finder's Fee" is required by the MASBDA.

FOR OFFICE USE ONLY

MASBDA Project No. _____
Application Rec'd. _____
\$300 Application Fee Rec'd. _____

TO BE COMPLETED BY BEGINNING FARMER

Name _____

Address _____ City _____ State _____ Zip _____

Telephone () _____ Age (For Statistical Purposes) _____

1. Amount of Loan Request \$ _____ County _____

2. Description of anticipated use of proceeds ("Project") - [use additional sheets if necessary]: _____

3. Estimated purchase or construction price of the proposed project: \$ _____

Amount of loan down payment (if any): \$ _____

Please describe the type and sources of financing for the portion of the project costs which will not be covered by the MASBDA loan [please attach additional sheets if needed]:

4. Location of Project:

(a) Give county and township names and section numbers for land, buildings, or other immovable property; for machinery, breeding stock or other movable property give the same information with respect to the headquarters of the beginning farmer's farm operation:

(b) Location by road from nearest town (example - 4 miles north and 3/4 mile west of *Anytown, Missouri* on County Road 251):

(c) If the project consists of the construction or acquisition of buildings, structures or other immovable property (including remodeling of or additions to existing structures), is the beginning farmer (including spouse or minor children) the sole owner of the land on which the project will be located? Yes No

If no, please identify the owner(s) or co-owner(s) of the land, give the Social Security Number(s) or Federal Employer Identification Number(s) of the owner(s) or co-owner(s) and describe the length of any lease which the beginning farmer has on such land (including any renewal options):

5. Dwelling – Does project in part consist of a building which has been or could be occupied as a dwelling and which is intended to be occupied as a dwelling in the future? Yes No

If yes, estimated value of the dwelling (including garage or similarly related structures)
\$ _____ ;

estimated value of the remainder of the project (excluding the dwelling, garage and similarly related structures)
\$ _____

If yes, please attach confirming appraisals showing both present fair market value of the dwelling and related structures (excluding the remainder of the Project) and present fair market value of the remainder of the Project (excluding the dwelling and related structures). In exceptional situations when time does not permit these appraisals to be obtained before this application is submitted to the Authority, such appraisals should be submitted as soon as possible thereafter.

NOTE: A DWELLING MAY LIMIT THE ELIGIBILITY OF THE PROJECT FOR FINANCING. Consult with MASBDA before making any offer to buy on a project containing a dwelling.

6. Seller of Project (if known): _____

Seller's Address _____

Relationship to Beginning Farmer, (if any): _____

If relationship is a father, mother, sister, brother or grandparent, please attach appraisal showing present fair market value. In exceptional situations when time does not permit these appraisals to be obtained before this application is submitted to the Authority, such appraisals should be submitted as soon as possible thereafter.

ANSWER QUESTIONS 7-11 IF YOUR PROPOSED PROJECT INCLUDES THE ACQUISITION OF AGRICULTURAL LAND.

7. Have you, your spouse, or any of your minor children ever directly or indirectly owned any land?

NOTE: The following are examples of indirect land ownership:

- a) ownership of a beneficial interest in a trust which in turn holds land.
- b) ownership of shares in a corporation which owns land.
- c) a remainder interest in land which is subject to a life estate in another person Yes No

8. If your answer to question 7 is yes, was the land (while you owned it) part of a farm?

NOTE: The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural and horticultural commodities and orchards Yes No

9. If your answers to question 7 and 8 are yes, please describe each parcel of land you have owned by its county location, its size, the time period during which you owned it and its maximum fair market value while you owned it (if the ownership is indirect, please also describe the means of ownership and the total amount owned – example, "I have a one-fourth beneficial interest in a trust; the trust holds a total of 200 acres"):

10. If your answer to question 8 is yes, have you, your spouse, or any of your minor children done any of the following:
a) performed physical work on the land? Yes No
b) participated in management decisions about operations on the land? Yes No

- c) provided regular advice and consultation on the business operations on the land? Yes No
- d) regularly inspected production activities on the land? Yes No
- e) directly or indirectly advanced funds or paid a substantial portion of the operating expenses for operations on the land? Yes No
- f) lived on the land? Yes No

If your answer to any of questions 10(a-f) is yes, please describe the degree of your involvement in each activity, the frequency of your involvement and the length of time over which your involvement occurred [use additional sheets if necessary]: _____

11. Will you provide substantially all of the management and labor in the farm operation of which the land to be acquired will be made a part of? Yes No

If no, explain who will be providing substantially all of the management and labor and what your role and responsibilities with respect to the farm will be:

ANSWER QUESTIONS 12 and 13 IF YOUR PROPOSED PROJECT INVOLVES ACQUISITION OF BREEDING OR DAIRY STOCK

12. Have any of the female animals to be acquired ever given birth or been put to use for dairy purposes by anyone? Yes No

If yes, explain _____

13. Have any of the male animals to be acquired ever been put to use for breeding purposes? Yes No

If yes, explain _____

ANSWER QUESTION 14 IF YOUR PROPOSED PROJECT INVOLVES THE ACQUISITION OF PROPERTY OTHER THAN LAND OR LIVESTOCK (SUCH AS MACHINERY, EQUIPMENT, BUILDINGS OR OTHER STRUCTURES).

14. Does any portion of the project consist of "used" property other than land (that is, property which has previously been placed in use for the purpose for which it was designed)? Yes No

If yes, explain _____

NOTE: USED PROPERTY IS SUBJECT TO LIMITATIONS AS TO ELIGIBILITY FOR FINANCING. Consult the MASBDA before committing yourself to buy used property.

15. Do you, your spouse or any of your minor children currently hold any interest in any farm partnership, farm corporation or other formal or informal venture? Yes No

If yes, describe the joint operation including the names of other parties and their relationship to you, your spouse or your minor children:

16. Will you, your spouse or your minor children continue to hold an interest in the above described joint operation after receiving this loan? Yes No

Will any portion of the project be used in connection with the joint operation? Yes No
If yes, explain _____

17. Do you have any other sources of income besides your present farming or future farming operation? Yes No
 If yes, briefly describe that income source: _____

18. Newspaper of general circulation in county(s) where project will be located: _____
 Newspaper address: _____

TO BE COMPLETED BY LENDER:

1. Current market value/sales price of project to be financed: \$ _____
 Which consists of:
 a. \$ _____ for land,
 b. \$ _____ for improvements,
 c. \$ _____ for depreciable assets.
2. Current personal financial statement for beginning farmer, spouse and minor children received? Yes No
 (Please attach a copy of the financial statement.)
 Net worth of beginning farmer (including spouse and minor children) is: \$ _____
3. The projected farm income will be greater than off farm income Yes No
4. Application fee (\$300), financial statement and last three (3) years tax returns received and submitted herewith? . . Yes No
5. Current interest rate for a similar loan: _____
6. Proposed loan terms:
 a. Interest Rate: Fixed _____ Variable _____
 If variable, formula: _____
 b. Total Term: _____ years.
 c. Repayments: monthly quarterly semi-annually annually other (specify) _____
 Amounts \$ _____ plus interest _____ balloon, amount of balloon \$ _____

CERTIFICATIONS OF BEGINNING FARMER

In submitting this application, I, the undersigned eligible borrower, have read the following statements and hereby certify and agree that:

1. I am a permanent resident of the State of Missouri True False
2. The project will be located within the State of Missouri True False
3. I have sufficient education, training or experience in the type of farming for which the loan is requested. True False
4. The agricultural land and agricultural improvements (if any) to be financed with the proceeds of the loan do not exceed \$488,600. Of this amount, depreciable agricultural property may not exceed \$250,000 with a limit of \$62,500 for used depreciable property. True False
5. I have been unable to secure financing from conventional sources upon equivalent terms True False
6. The project shall be used only for farming by myself or my family True False
7. No other person or entity (other than my spouse or minor children) will be a principal user of any part of the project under any formal or informal arrangement or agreement True False
- If false, please identify the user and describe the part and amount of use of the project: _____

NOTE: Occasional or casual use of part of the project by a neighbor or relative will not make such person a principal user; however, a person who is leasing the land to the beginning farmer, or is a co-owner of such land, upon which any immovable portion of the project is being constructed may be considered a principal user of the project under federal law.

8. None of the proceeds of the loan shall be used for the refinancing or restructuring of any existing indebtedness in whole or in part, working capital, operating purposes or for inventory supplies True False
9. My personal financial statement and that of my spouse and children (if any) submitted to the lender in connection with this application, is true, correct and complete. True False

- 10. I have or will have access to adequate working capital, farm equipment, machinery or livestock and land . . . True False

- 11. I agree that the loan may not be assumed by another person without prior approval of the lender and the Authority and then only if the purchaser of the property is an eligible applicant for an authority loan. I presently plan to retain the property financed by the loan for the term of the loan; however, I understand that equipment and other depreciable property may be exchanged or traded in on similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the lender without prior approval of the Authority. I also understand the benefits of the loan, made at the tax-free rate from the proceeds of an Authority bond, must be retained by myself, and no person to whom the property is traded or otherwise transferred may obtain the benefits of the Authority loan True False

- 12. Neither I nor any related person (as described below) have commenced any acquisition or construction of any part of the project to be financed with the proceeds of the loan, and neither I nor any related person have entered into any contract or purchase agreement, installment or otherwise, in connection with the construction or acquisition of the project or any part thereof, or commenced on-site work in connection with the construction of the project or any part thereof of off-site fabrication or acquisition of any portion of the project. "Related Person" as defined in section 103 (b) (6) (C) of the Internal Revenue Code includes, among others: a father, mother, brother, sister, grandparent, grandchild, or spouse, or a partnership or corporation in which the applicant together with any of the foregoing relatives have more than a 50 percent interest True False

- 13. I am not acquiring the project directly or indirectly from a related person. If this property is being acquired from a related person, I am acquiring the project at fair market value and the related person, subsequent to my acquisition of the property, will have no financial interest in the project to be financed with the proceeds of the loan True False

- 14. I understand that a related seller may not have a financial interest in the farming operation with respect to which the bond proceeds are to be used and that the proceeds of the bonds may not be re-transferred from the seller(s) to myself, my spouse or a minor child of mine as part of efforts to transfer both property financed with the bond proceeds and the bond proceeds received by the related seller (For purposes of this statement, a related seller will not be treated as having a financial interest if the related seller: True False
(a) has no more than a ten-percent interest in the capital or profits in a partnership comprising the farm;
(b) has no more than a ten-percent stock interest in a corporation comprising the farm;
(c) has no more than a ten-percent of the beneficial interest in a trust comprising the farm;
(d) is not a principal user of the farm; or
(e) has no other direct or indirect ownership or use of the farm which has as a principal purpose, the avoidance of this provision.)

- 15. I have prepared and delivered the application for a loan to be funded with the proceeds of the Authority's bond (if and when issued by the Authority) for the purpose of accomplishing the governmental purposes set forth in Chapter 348 RSMo, as amended. All of the information I have provided in this application is true and complete. True False

- 16. I understand and agree that an application fee shall be submitted with this application and that a loan closing fee and issuance fee shall be submitted to the Authority at the time of loan closing; such fees are to be used for expenses associated with the administration of the Beginning Farmer Loan Program True False

- 17. Neither I, my spouse or minor children nor any related person to us, as defined above, has (1) previously received tax-exempt financing from the Authority or any other source for any project or (2) been an owner or a principal user at any time of any other project or facility located anywhere which has been financed with tax-exempt industrial development bonds ("IDS's), except for the following (describe project or write "None"):

_____ True False

- 18. If any other principal user of any part of the project is named in point 7 or any lessor or co-owner of land upon which part of the project will be constructed is named in point 4 (c) of the first part of this application, then to the best of my knowledge, neither such users, lessors or co-owners nor any related person to them, as defined above, have been an owner or a principal user at any time of any other project or facility located anywhere which has been financed with tax-exempt industrial development bonds ("IDB's), except for the following (describe project or write "None"):

_____ True False

- 19. I understand and agree unless all gross proceeds of the tax-exempt bond are spent on the project being financed within six months after the date the bond is issued, the parties to the bond issue will be subject to some very onerous federal reporting.

- 20. I understand and agree to complete the MASBDA "Expenditure of Proceeds Questionnaire" before MASBDA's legal counsel can offer a bond opinion. In addition, if chosen on a random basis, I agree to complete the "Annual Compliance Questionnaire" in order for the interest on the beginning farmer loan to be excluded from gross income of the participating lender.

- 21. I authorize the Authority to release information regarding the description of the property to be financed to the extent necessary to comply with legal requirements for processing the loan application.

SIGNATURE OF BEGINNING FARMER

DATED

CERTIFICATIONS OF LENDER

The undersigned Lender has read the following statements and hereby certifies that:

1. The lender is qualified in the State of Missouri to originate and service loans and is a "lender" as defined in Chapter 348 RSMo as amended.
2. The lender has not been to the best of the undersigned's knowledge listed on the "supervised list," "watch list," "problem list," or any similar supervisory list maintained by any regulatory authority having jurisdiction over it within the past three years and is not operating or subject to a cease and desist order or a written agreement with any federal or state regulatory agency having jurisdiction over it with regard to its financial condition or operations.
3. The eligible borrower is an "eligible borrower" as defined in Chapter 348 RSMo, as amended.
4. The agricultural land and agricultural improvements (if any) to be financed with the proceeds of the loan does not exceed \$488,600. Of this amount, depreciable agricultural property may not exceed \$250,000, with a limit of \$62,500 for used depreciable property.
5. The eligible borrower, his or her spouse and minor dependent children (if any) in the best judgment of the lender on the date hereof has not at any time had any direct or indirect ownership interest in substantial farmland in the operation of which such individual materially participated. The term substantial farmland means any parcel of land unless the parcel is smaller than 30 percent of the median size of a farm in the county in which such parcel is located.
6. The eligible borrower has presented evidence satisfactory to the lender that the eligible borrower is unable to obtain credit on equivalent terms from conventional sources without participation by the Authority.
7. The eligible borrower has exhibited to the satisfaction of the lender that the eligible borrower has sufficient education, training or experience for the anticipated farming operation.
8. The eligible borrower has presented evidence to the satisfaction of the lender that the eligible borrower has access to adequate operating capital, farm machinery, livestock and agricultural land for the anticipated farming operation.
9. The eligible borrower is not acquiring the project directly or indirectly from a related person. "Related person" as defined in section 103 (b) (6) (C) of the Internal Revenue code includes, among others: a father, mother, brother, sister, grandparent, grandchild or spouse, or a partnership or corporation in which the applicant, together with any of the foregoing relatives, have more than a 50 percent interest. The acquisition shall not be treated as an acquisition from a related person if the acquisition is for fair market value of the land or property, and subsequent to such acquisition, the related person does not have a financial interest in the farming operation with respect to which the proceeds of the loan are used.
10. All of the proceeds of the loan will be used for the acquisition, construction, reconstruction, equipping and installation of land, or property of a character subject to the allowance for depreciation under section 167 of the Internal Revenue Code.
11. I understand and agree unless all gross proceeds of the tax-exempt bond are spent on the project being financed within six months after the date the bond is issued, the parties to the bond issue will be subject to some very onerous federal reporting.
12. To the best of the lender's knowledge, each of the certifications of the eligible borrower set forth in this application is true and correct.
13. The proceeds of the loan will not be used to provide working capital or finance inventory, supplies or other operating expenses for the eligible borrower or any related person, and none of the proceeds of the loan will be used to refinance or restructure any portion of existing indebtedness.
14. The lender requests the authority to issue and sell its bond to the lender for the purpose of financing the project to the extent thereof.
15. The application has been received and is being processed in accordance with the governmental program established by the Authority and complies or will comply with the requirements of federal and state law and the Authority's administrative rules.
16. The interest rate on the loan is less than the prevailing rate on comparable loans of the lender as of the date of this certificate. The prevailing rate is the rate announced by the lender from time to time upon comparable loans.
17. The lender has not on the date hereof, and shall not prior to the Authority adopting a resolution of intention to issue a bond for the purpose of financing the project, finance or otherwise advance monies to the eligible borrower or any related person in connection with the project.
18. I understand and agree to complete the MASBDA "Expenditure of Proceeds Questionnaire" before MASBDA's legal counsel can offer a bond opinion. In addition, if chosen on a random basis, I agree to complete the "Annual Compliance Questionnaire" in order for the interest on the beginning farmer loan to be excluded from gross income of the participating lender.

Name of Participating Lender _____
Signature of Official of Lending Institution _____
Title of Lending Official _____
Address of Lending Institution _____
Telephone Number of Lending Institution _____

DATE

Certification of Citizenship/Immigration Status

By affixing my (our) signature below, I (we) hereby certify, subject to penalties of perjury, I am the applicant or an authorized representative of the applicant and as such am authorized to make the following affirmation.

I am a United States Citizen or have been granted lawful permanent residence* of the United States. I understand that I am required by state law to provide proof of my citizenship, residency, and identity in order to apply for any state programs.

Signature	Title	Date
Signature	Title	Date

*Pursuant to 208.009.3 RSMo, all applicants are required to provide proof of citizenship, identity, and residency at the time of applying for any state administered benefits. **You must provide a copy of your valid Missouri driver's license with this application.** If you do not have or cannot provide this, please see "Additional Documentation" for allowed alternatives.

Employer Status

By affixing my (our) signature below, I (we) hereby certify, subject to penalties of perjury, I am the applicant or an authorized representative of the applicant and as such am authorized to make the following affirmation:

(Please select the statement that applies)

Do you have employees or subcontractors in connection with this application in the state of Missouri?

_____ **NO**

_____ **YES** (If yes, you must complete the attached Affidavit of Authorized workers, along with enrolling in the federal worker authorization program and enclose evidence of such enrollment)

Signature	Title	Date
Signature	Title	Date

Additional Documentation

Recent changes to Missouri's immigration law requires that applicants for any state administered benefit provide certification and evidence of legal residence and those that employ others must also provide certification and evidence that your employees' legal status is verified.

You must provide a copy of your valid Missouri Driver's license with this application. If you do not have one or are an out of state applicant, you must provide one of the documents listed below:

- U.S. Birth Certificate (certified with embossed or raised seal issued by state or local government)
- U.S. Passport (valid)
- Certificate of Citizenship
- Certificate of Naturalization
- Certificate of Birth Abroad
- Any other document issued by the federal government affirming legal presence in the U.S.

Additional Instructions:

All Applicants:

All applicants must fill out BOTH sections of the Certification of Citizenship/Immigration Status and Employer Status document. You do NOT have to complete the Affidavit of Authorized Workers section and you do NOT have to enroll in E-verify if you have no employees.

If you have employees:

If you employ workers with your business you must indicate that you do on the Employer Status Section and complete the Affidavit of Authorized Workers. You also must enroll in the federal worker authorization program, E-Verify and send in a copy of the MOU you received when enrolling with this application. You can enroll by visiting www.dhs.gov/e-verify. E-Verify is a free service provided by the US Department of Homeland Security.

Checklist: Please use this checklist to ensure a complete application.

All Applicants:

- MO Driver's License (or other document listed above)
- Signed Certification or Citizenship/Employer Status (Both Section completed and signed)
- Completed program application

Applicants with Employees:

- Affidavit of Authorized Workers
- Executed MOU from E-Verify

Affidavit of Authorized Workers

BEFORE ME, the undersigned Notary, _____, on this _____ day of _____, 20____, personally appeared _____, known to me to be a credible person and of lawful age, who being by me first duly sworn, on _____ oath, deposes and says:

I certify that I am either the applicant or am an authorized representative of the applicant (please list name of applicant _____) and as such am authorized to make the statement of affirmation contained herein.

I (We) hereby certify, subject to penalties of law, that I (we) do not knowingly employ, hire for employment, or continue to employ any unauthorized alien to perform work in the state of Missouri and further certify I have and will continue to comply with federal law (8 U.S.C., 1324a) which requires the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.

I further certify that I (the applicant) am enrolled in a federal work authorization program and actively verify the work authorization status of all those hired and currently employed by me, my business, and/or any other business entity which I have hiring or management authority.

I understand that as a condition to participate in this program administered by a political subdivision of the State of Missouri I (the applicant) must provide documentation to certify my enrollment and participation in the federal work authorization program. **You must include a copy of the Memorandum of Understanding (MOU) you received when enrolling in e-verify.** To enroll visit www.dhs.gov/e-verify.

I certify that I (the applicant) shall include in any contract it enters with a subcontractor in connection with the activities that qualify the applicant for this program, an affirmative statement from the subcontractor that such subcontractor is not knowingly in violation of Section 285.530.1 RSMo, and shall not be in violation during the length of the contract. In addition the applicant will receive a sworn affidavit from the subcontractor under the penalty of perjury, attesting that the subcontractor's employees are lawfully present in the United States. I certify that the applicant will maintain and provide MASBDA access to documentation demonstrating compliance with this requirement.

I understand that if the applicant is found to have employed an unauthorized alien, the applicant may be subject to penalties pursuant to law, including Sections 135.815, 285.025, and 285.535, RSMo.

_____ Print Name	_____ Signature	_____ Title
_____ Print Name	_____ Signature	_____ Title

State of Missouri

County of _____

Subscribed and sworn to before me, this _____ day of _____, 20____.

[Notary Seal:]

[signature of Notary]

_____ My commission expires: _____, 20____.

[typed name of Notary]
NOTARY PUBLIC