



# Department of Agriculture and Food

## Conservation Division

### Rural Rehabilitation Loan Proposal

June 9, 2026

**Proposed Borrower:**

Loan Proposal Number                    1  
County                                         Wayne

**Proposed Loan Details:**

Loan Amount	\$445,852.90
Interest Rate	5.00%
Term	10 Years (Renewable with Board Approval)
Amortization	30 Years
Payment Amount	\$29,004.00
Payment Frequency	Annually
Repayment Source	Proceeds of crop and livestock sales, and personal income

**Proposed Security:**

Collateral	1st lien position on 38.85 acres of farmland with agriculture building, and 39.6 Shares of water stock in the Fremont Irrigation Company.
Valuation	<ul style="list-style-type: none"> <li>• Real property: 2025 Wayne county tax notice lists an assessed market value of \$303,101.</li> <li>• Water stock: Estimated value was provided by Fremont Irrigation Company based on recent comparable sales valued at \$6,500/share for a value of \$257,400.</li> <li>• Total collateral valued at \$560,501.</li> </ul>
Loan-to-Value	79.5%


**Loan Purpose:** The purpose of this loan is to refinance two existing FSA loans with the intent of selling some of the property to an interested buyer once the FSA liens are released. The applicant states that this loan would help them recover from the farm and personal hardships they have experienced in recent years.

**Financial Overview:** The applicant was declined by three other financial institutions due to reasons including delinquent past or present credit obligations, income insufficient for the amount of credit requested, appraised value of collateral not meeting lending requirements, and other credit related issues.

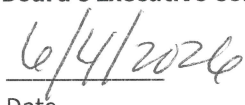
The applicant is highly leveraged, with existing farm debt jeopardizing their repayment ability, as current farm income cannot support the proposed payment. This strain is compounded by a simultaneous decline in the applicant’s personal income from business during the same year the farm experienced income losses. While the profit and loss statement provided by the applicant shows some improvement, it remains insufficient to meet the proposed debt service obligations.

Strengths & Experience	Weaknesses
<ul style="list-style-type: none"> <li>• The applicant noted that this experience provided critical lessons in time management, resource planning, budgeting, and the necessity of early intervention for sustainable operations, while also reinforcing the importance of seeking assistance when needed.</li> <li>• To make steps toward improving their financial position, the applicant stated they invested in ancient grains and plans to partner with Utah's Own to market products and rebuild the business.</li> <li>• They stated this difficult experience made them more resilient and resourceful for future challenges, adding that they are willing to restart their personal business to supplement loan payments if necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Loan-to-value exceeds the program policy of 70% for debt restructure.</li> <li>• Farm income is insufficient to cover the proposed debt.</li> <li>• Combined farm and personal income is insufficient to cover the proposed debt and personal debt.</li> <li>• The producer does not have a defined plan to improve operations sufficiently to service this debt.</li> <li>• When asked about whether they explored potential restructuring or coordination with the FSA, the applicant provided a vague response, stating only that the agency was unhelpful without clarifying if concrete discussions had taken place.</li> <li>• When asked if they were currently working with anyone on a financial plan for the farm, the applicant stated they were not and gave no indication that they intend to pursue this type of assistance or advice.</li> </ul>

**Loan staff recommends denial of this loan by the Board's Executive Committee.**



Sarah Clancy  
Loan Program Manager



Date