

Rural Rehabilitation Emergency Loan Proposal

Date: December 13, 2022

Action:

Ag Advisory Board
approval

_____ Date

Proposed Borrowers: Loan #1
Sanpete County

Loan Amount: \$325,000.00

Rate: 3% Ten (10) year term loan

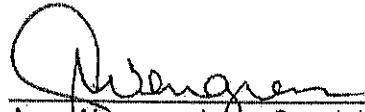
Terms: Ten-year term loan, Thirty-year amortization, annual payments of \$16,581.00. This loan will be reviewed and may be renewed every 10 Years.

Purpose: To purchase 133.54 acres with 284 shares of water in the Gunnison-Fayette Canal company. This is a beginning farmer purchase.

Security: First lien position on 133.54 acres. Property consists of a 5.5 acre farmstead, 101.04 irrigated cropland, and 27 acres of native dryland pasture. They will have 284 shares of water that will be sufficient for the current irrigated acreage. Land was valued at \$1,200,000.00 using a current appraisal dated November 4, 2022, making the Loan to Value of 27%. This loan will be a participation loan with Farm Service Agency.

Repayment: Will be from cattle sales.

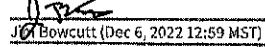
Financial: Applicants have low debt and have a good repayment with other creditors. They have grown up working on the family farm. One of them have received their bachelor's in agriculture with an emphasis in business. They are both currently working on the family farm along with raising their own heard. They have increased their head of cows from 5 to 50. For this reason and the quality of the security, approval is recommended.



Amy Wengren, Loan Specialist

12/6/2022

Date


Jim Bowcutt (Dec 6, 2022 12:59 MST)

Jim Bowcutt

Date



Utah Department of
Agriculture and Food

MEMORANDUM TO: Agricultural Advisory Board
FROM: Shelly Rentmeister Financial Analyst
DATE: 12/8/2022
SUBJECT: Ten year renewal modifications and extension of maturity date

1 Rural Rehab Federal and 9 Rural Rehab State loans will mature during the 2022-2024 year. These loans were amortized over twenty years with a ten year term. State Code, Title 4 Chapter 19 Section 3, states that any such rural rehabilitation loan is renewable on approval by the Ag Advisory Board. If approved by the AAB, the new maturity dates will be extended another ten years to 2032-2034. All loans are paid annually and will be paid in full at the end of these ten years.

These borrowers have had excellent repayment histories. It is our recommendation to approve the ten-year extension on these loans.