



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**
A DIVISION OF IOWA FINANCE AUTHORITY

IADD BOARD MEETING MINUTES

Iowa Finance Authority
1963 Bell Avenue, Suite 200, Des Moines, Iowa
November 24, 2020

Board Members Present

Lyle Borg, Chair
Annette Townsley, Vice Chair
John Fredrickson
Mark Leonard
Gretchen McLain

Board Members Absent

None

Staff Members Present

Lori Beary, Chief Bond Programs Director
Steve Ferguson, IADD Program Specialist
Nicki Howell, Office Assistant
Tammy Nebola, IADD Program Specialist
Becky Wu, Loan Servicing Specialist

Others Present

Cris Kuhn, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on November 24, 2020 at 8:30 am. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson, Leonard and McLain.

REVIEW OF MINUTES OF OCTOBER 28, 2020 BOARD MEETING

Mr. Borg presented the minutes of the October 28, 2020 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously approved the minutes of the October 28, 2020 IADD Board meeting.

REVIEW OF OCTOBER 2020 FINANCIAL STATEMENT

Becky Wu presented the October 2020 financials. She stated that for FY21 year-to-date, IADD had operating income of \$142,000 operating expense of \$131,000 and net operating income of \$11,000.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously approved the October 2020 financial statement as presented.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution 04665M – Brian A. Boussetot – First Trust and Savings Bank in Grand Mound is the lender. The amendment will lower the interest rate from 4.00% to 3.25% until November 15, 2027 at which time the rate will adjust to the original index of 80% of First Trust Real Estate Base Rate and be adjustable every five years thereafter. Remove Stacy S. Boussetot from the Promissory Note and Bond and all supporting documents, as well as all Security Documents pledged as collateral, due to divorce. All other loan terms will remain the same.

Resolution AG 19-036M – Ryan L. and Alissa Paulsen – First National Bank in Primghar is the lender. The amendment will Lower the interest rate from 4.99% to 4.40% until September 15, 2026 at which time the rate will adjust to the original index of 0.25% above the announced prime rate of New York Prime Rate as published in the Wall Street Journal and be adjustable every seven years thereafter. Decrease the rate floor from 4.99% to 4.40%. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 20-037 – Zachary J. Palas – Beginning farmer loan of \$252,000 to purchase approximately 160 acres of agricultural land in Clayton County. The loan will have a 2.95% variable interest rate and a loan length of 30 years. The index will be equal to the Wall Street Prime Rate. The lender is Luana Savings Bank in Luana, Iowa.

AG 20-038 – Cody Anderson – Beginning farmer loan of \$344,000 to purchase approximately 80 acres of agricultural land in Lyon County. The loan will have a 3.60% variable interest rate and a loan length of 30 years. The index will be 80% of 350 basis points over the 5 year Treasury. The lender is American State Bank in Orange City, Iowa.

AG 20-039 – Ben and Abbie Bunge – Beginning farmer loan of \$558,000 to purchase approximately 80 acres of agricultural land, put in tiling and purchase a tillage tractor in O'Brien County. The loan will have a 2.75% variable interest rate and a loan length of 30 years. The index will be 2.50% above the weekly average yield on US Treasury Securities

adjusted to a constant maturity of five years. The lender is City State Bank in Madrid, Iowa.

AG 20-040-I – Dakota J. Hageman – Beginning farmer contract of \$460,224 to purchase approximately 83.24 acres of agricultural land in Winneshiek County. The contract will have a 4.65% fixed interest rate and a loan length of 20 years. The contract sellers are Connie Heying in Tabor, South Dakota and Laurie Draper in Atkins, Iowa.

MOTION

On a motion by Ms. McLain and a second by Mr. Leonard, the Board unanimously approved the BFLP applications.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on November 24, 2020 at 8:59 am. There were no comments received regarding the Beginning Farmer Loan applications. It was noted that there are two additional projects included in the public hearing. 04086 and 04659 were previously approved Resolution M's that need to have a public hearing due to the WAM schedule being extended for the 8038 filings. The public hearing was closed at 9:00 am.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were seven change requests, he noted that of those seven, two were to decrease the number of acres, one was to reduce the cash rent, one was to change the crop share percentage and three were to change from a crop share agreement to a cash rent agreement.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously recommended approval of the Beginning Farmer Tax Credit change requests.

BEGINNING FARMER TAX CREDIT PROGRAM ANNUAL REPORT

Steve Ferguson presented the 2020 Beginning Farmer Tax Credit Program Annual Report. IADD Approved 315 applications for at total award (for all years of the leases) of \$6,164,608.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Steve Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events. He will be hosting a round table discussion at the Practical Farmers Retreat in

December. Tammy Nebola will be a speaker for the CDFA Intro to Food Systems Finance WebCourse in December and both will participate in FSA training for new loan managers sometime in January.

AG RELIEF PROGRAMS UPDATE

Lori Beary discussed the Beginning Farmer Debt Relief Fund, IADD & IFA/IEDA staff continue to process the applications. There were approximately 1,700 applications with lender verifications to be processed, and there are approximately 600 remaining to review. 1,081 applications have been awarded grants in the amount of \$9.8 million.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the November 4th IFA Board Meeting.

NEXT IADD BOARD MEETING

The December IADD Board meeting will be Wednesday, December 23, 2020 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. McLain, the November 24, 2020 meeting of the IADD Board of Directors adjourned at 9:07 am.

Dated this 23rd day of December, 2020.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board