



financials and added to loan loss reserves in anticipation of a total loss. If the loan goes through the liquidation process and IADD receives any repayment of the loan, that amount will be adjusted and removed from the loan loss reserve. Mr. Leonard and Mr. Fredrickson asked to receive the original application and supporting documentation so they could review the project.

#### **REVIEW OF DECEMBER 2019 FINANCIAL STATEMENT**

Becky Wu presented the December 2019 financials. She stated that for FY20 year-to-date, IADD had operating income of \$294,000 operating expense of \$371,000 which includes the loan loss reserve for LPP P0275 of \$139,128.31, this results in a net operating income of negative \$77,000.

#### **MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the Board unanimously approved the December 2019 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 00357M – Michael D. and Delores M. Hopkins – United Bank of Iowa in Ida Grove is the lender. The amendment will lower the interest rate from 5.375% to 2.90% until January 20, 2030 at which time the rate will adjust from the index of 3.75% above the weekly average yield on 1 year U.S. Treasury to the new index of 1.00% above the United Bank of Iowa RE Base Rate #5 and be adjustable every five years thereafter. Extend the maturity date an additional 30 years to January 20, 2050. Due to the rate decrease and the extended maturity the annual payment amount will decrease from \$6,800 to \$2,266.64 beginning on January 20, 2021. Decrease the rate ceiling from 7.50% to 5.90% and decrease the rate floor from 4.00% to 2.00%. All other loan terms will remain the same.

Resolution 04506M – Justin P. and Amy M. Chesnut – U.S. Bank, N.A. in Ames is the lender. The amendment will lower the interest rate from 5.48% to 3.80% until March 26, 2030 at which time the rate will adjust to the original index of 85% of 2.50% over the 5 year Treasury Rate and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$12,632.24 to \$11,157.24 beginning on March 26, 2020. Decrease the rate floor from 4.99% to 3.80%. Add the following prepayment language to the Note. This note may be prepaid at anytime upon payment of all principal, interest, fees and expenses in connection with this NOTE including, to the extent permitted by law, payment of \$500 for the early termination of this NOTE. Any permitted prepayment shall be in the amount equal to the remaining entire principal balance of the loan. All other loan terms will remain the same.

Resolution 04597M – Brandon J. and Amber E. King – U.S. Bank, N.A. in Boone is the lender. The amendment will lower the interest rate from 4.06% to 3.80% until December 28, 2029 at which time the rate will adjust to the original index of 85% of 2.50% over the 5 year Treasury Rate and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount

will decrease from \$9,243.62 to 9,025.68 beginning on December 28, 2020. Decrease the rate floor from 4.06% to 3.80%. Add the following prepayment language to the Note: This note may be prepaid at anytime upon payment of all principal, interest, fees and expenses in connection with this NOTE including, to the extent permitted by law, payment of \$500 for the early termination of this NOTE. Any permitted prepayment shall be in the amount equal to the remaining entire principal balance of the loan. All other loan terms will remain the same.

Resolution AG 14-039M – Justin J. and Jeraco M. Whitaker – U.S. Bank, N.A. in Boone is the lender. The amendment will add the following prepayment language to the Note: This note may be prepaid at anytime upon payment of all principal, interest, fees and expenses in connection with this NOTE including, to the extent permitted by law, payment of \$500 for the early termination of this NOTE. Any permitted prepayment shall be in the amount equal to the remaining entire principal balance of the loan. All other loan terms will remain the same.

### **MOTION**

On a motion by Mr. Borg and a second by Mr. Fredrickson, 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 20-001 – Levi J. Martin – Beginning farmer loan of \$220,000 to purchase approximately 125 acres of agricultural land in Ringgold County. The loan will have a 3.95% variable interest rate and a loan length of 40 years. The index will be 2.23% above the 5 year US Treasury rate. The lender is City State Bank in Mount Ayr, Iowa.

AG 20-002 – Nicole L. Wenstrand – Beginning farmer loan of \$180,190 to purchase approximately 70 acres of agricultural land in Page County. The loan will have a 4.575% variable interest rate and a loan length of 30 years. The index will be 1.00% over NY prime. The lender is Century Bank in Shenandoah, Iowa.

AG 20-003 – Zachary M. and Cheryl Z. Sensenig – Beginning farmer loan of \$545,000 to purchase approximately 154 acres of agricultural land in Mitchell County. The loan will have a 4.50% variable interest rate and a loan length of 30 years. The index will be 2.75% above the 5 year CMT. The lender is First Citizens Bank in Osage, Iowa.

AG 20-004 – Chase R. and Amanda C. Breitbarth – Beginning farmer loan of \$153,530 to purchase approximately 37.91 acres of agricultural land in Plymouth County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 1.70% above the 5 year T-Bill. The lender is Security Savings Bank in Inwood, Iowa.

AG 20-005 – Michael T. and Samantha J. Ries – Beginning farmer loan of \$160,000 to purchase approximately 40 acres of agricultural land in Pocahontas County. The loan will have a 3.625% variable interest rate and a loan length of 30 years. The index will be 3.25% above the 5 year Treasury Index. The lender is Bank Iowa in Humboldt, Iowa.

### **MOTION**

On a motion by Mr. Leonard and a second by Mr. Fredrickson, 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 January 22, 2020 at 8:57 am. There were no comments received regarding the Beginning Farmer Loan applications. Tammy Nebola pointed out that the public hearing also includes project 00357 due to the extended maturity date. The public hearing was closed at 8:58 am.

### **MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously recommended approval of the BFLP Bond documents which included the five new applications presented and project 00357 to extend the maturity date.

### **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.

### **OTHER BUSINESS**

### **IFA BOARD MEETING UPDATE**

Mr. Borg presented the agenda from the January IFA Board Meeting. He gave the IADD Board a brief update of the items discussed. Director Durham also discussed a few items in greater detail, updating the Board on the sale of the IFA building on Grand, the Disaster Home Bill and Legislative Session. Mr. Borg shared that the IFA Board is planning a Board retreat in late March.

### **2020 PROPOSED IADD BOARD MEETING DATES**

The 2020 IADD Board Meeting dates with updated meeting dates in March and June were presented. Director Durham discussed the Farm Bureau meeting, she was happy to report that Farm Bureau leadership is willing to meet with IADD but the March and June meeting dates did not work for Farm Bureau President, Craig Hill. IADD Board granted Director Durham the flexibility to find a date for the IADD Board Meeting in June that would work for Farm Bureau leadership, herself and IADD Board Members and staff.

### **NEXT IADD BOARD MEETING**

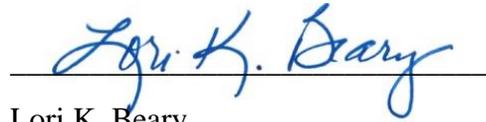
The February IADD Board meeting will be Wednesday, February 26, 2020 at 8:30 am, via conference call.

### **ADJOURNMENT**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the January 22, 2020 meeting of the IADD Board of Directors adjourned at 9:11 am.

Dated this 26<sup>th</sup> day of February, 2020.

Respectfully submitted:



Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair  
IADD Board