



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
March 26, 2020**

Board Members Present

Mark Leonard, Vice Chair Gretchen McLain
John Fredrickson Annette Townsley

Board Members Absent

Lyle Borg, Chair

Staff Members Present

Lori Beary, Chief Bond Programs Director Nicki Howell, Office Assistant
Debi Durham, Executive Director Tammy Nebola, IADD Program Specialist
Steve Ferguson, 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 Vice Chair Leonard on March 26, 2020 at 9:30 am. A quorum was established with the following Board Members present via conference call: Leonard, Fredrickson, McLain and Townsley.

REVIEW OF MINUTES OF FEBRUARY 26, 2020 BOARD MEETING

Mr. Leonard presented the minutes of the February 26, 2020 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes. Ms. Townsley pointed out that in the first paragraph it includes Gretchen McLain in the quorum and she was not present at the meeting.

MOTION

On a motion by Mr. Fredrickson and a second by Ms Townsley, the Board unanimously approved the minutes of the February 26, 2020 IADD Board meeting as corrected.

REVIEW OF FEBRUARY 2020 FINANCIAL STATEMENT

Becky Wu presented the February 2020 financials. She stated that for FY20 year-to-date, IADD had operating income of \$399,000 operating expense of \$451,000 and net operating income of negative \$52,000.

MOTION

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

UPDATE ON LPP P0275

Lori Beary updated the IADD Board on LPP project P0275. Tammy Nebola has been in contact with the lender and their attorney, they have filed the foreclosure documents however with the current situation all foreclosures are on hold. If the property sells for or near the appraised value we should get back most if not all the funds to repay the LPP loan in default.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04455M – Kyle S. and Ellen M. Chesnut – U.S. Bank, N.A. in Boone is the lender. The amendment will lower the interest rate from 5.10% to 4.01% until March 15, 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 \$20,949.08 to \$19,287.32 beginning on March 15, 2021. Remove the rate floor. All other loan terms will remain the same.

Resolution 04583M – Nathan I. and Tamara L. Gebel – Luana Savings Bank in Luana is the lender. The amendment will lower the interest rate from 4.75% variable to 3.75% fixed until maturity of December 27, 2040. Due to the rate decrease the annual payment amount will decrease from \$5,467.04 to \$4,903.02 beginning on December 27, 2021 with an irregular payment of \$5,517.56 on December 27, 2020. Decrease the rate floor from 4.50% to 3.75%. All other loan terms will remain the same.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, 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 20-010 – Brian R. and Lauren England – Beginning farmer loan of \$200,000 to purchase approximately 50 acres of agricultural land and out-buildings in Ringgold County. The loan will

have a 3.93% fixed interest rate and a loan length of 25 years. The lender is Great Western Bank in Mount Ayr, Iowa.

AG 20-011 – Robbie M. and Angela M. Bissen – Beginning farmer loan of \$459,355 to purchase approximately 84.15 acres of agricultural land and an undivided 1/2 interest in another 80 acres of agricultural land in Shelby County. The loan will have a 3.25% variable interest rate and a loan length of 40 years. The index will be 1.83% over the 5 year US Treasury constant. The lender is First State Bank in Webster City, Iowa.

AG 20-012 – Parker K. and Holly M. Merritt – Beginning farmer loan of \$270,000 to purchase approximately 98 acres of agricultural land and out-buildings in Butler County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 1.75% above the Federal Home Loan 5 Year Advance Rate. The lender is First National Bank in Waverly, Iowa.

AG 20-013 – Elyssa and Ethan Smidt McFarland – Beginning farmer loan of \$438,000 to purchase approximately 80 acres of agricultural land in Louisa County. The loan will have a 3.79% variable interest rate and a loan length of 25 years. The index will be 80% of 5 year Treasury rate + 2.50%. The lender is Hills Bank and Trust Company in Washington, Iowa.

AG 20-014 – Lucas and Nicole Plendl – Beginning farmer loan of \$295,000 to purchase approximately 3 acres of agricultural land and out-buildings including a 2,000 Hd Hog Barn in Sioux County. The loan will have a 3.60% variable interest rate and a loan length of 15 years. The index will be 80% of 325 basis points over the 5 year Treasury. The lender is American State Bank in Orange City, Iowa.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, 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 March 26, 2020 at 9:52 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:53 am.

MOTION

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

BEGINNING FARMER TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 25 new BFTC applications for an estimated tax credit amount of \$761,096.43. He noted that of those 25; 12 are cash rent and 13 are crop share.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented.

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 4 change requests, he noted that of those 4, 3 were to increase the number of acres and 1 was to change the asset owner due to death to the surviving spouse.

MOTION

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

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Steve Ferguson stated that all upcoming events have been cancelled.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Debi Durham presented the agenda from the March 4, 2020 IFA Board Meeting. She gave the IADD Board a brief update of the items discussed. IFA is in full response mode dealing with the community needs of those affected by the COVID-19 virus closures.

NEXT IADD BOARD MEETING

The April IADD Board meeting will be Wednesday, April 22, 2020 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. McLain, the March 26, 2020 meeting of the IADD Board of Directors adjourned at 10:04 am.

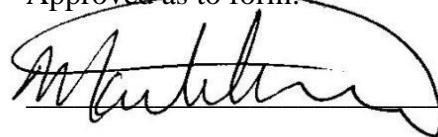
Dated this 22nd day of April, 2020.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Mark Leonard, Vice Chair
IADD Board