



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**  
**July 22, 2020**

**Board Members Present**

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

**Board Members Absent**

None

**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

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**CALL TO ORDER**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on July 22, 2020 at 8:31 am. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson, Leonard and McLain.

**REVIEW OF MINUTES OF JUNE 22, 2020 BOARD MEETING**

Mr. Borg presented the minutes of the June 22, 2020 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the minutes of the June 22, 2020 IADD Board meeting.

**REVIEW OF JUNE 2020 FINANCIAL STATEMENT**

Becky Wu presented the June 2020 financials. She stated that for FY20 year-to-date, IADD had operating income of \$647,000 operating expense of \$524,000 and net operating income of \$123,000.

**MOTION**

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

**LOAN PARTICIPATION PROGRAM**

Tammy Nebola presented information on the following loan participation applications.

P0294 - Samuel R. and Nichole Meyer. The LPP application is for \$200,000. The borrower will construct a 2,400 Hd Hog Building. Total project cost is \$760,000. The bank is Peoples Bank in Lester.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the loan participation for Samuel R. and Nichole Meyer subject to obtaining a limited Guaranty of \$84,000 and an Assignment of Feeding Contract.

P0295 - Brandon M. and Whitney M. Braun. The LPP application is for \$200,000. The borrower will purchase approx. 6.24 acres of agricultural land, house and out-buildings including 2,530 Hd Hog Buildings. Total project cost is \$700,000. The borrower has also applied for a Beginning Farmer Loan AG 20-026. The bank is First Citizens Bank in Clarion.

**MOTION**

On a motion by Ms. Townsley and a second by Mr. Leonard, the Board unanimously approved the loan participation for Brandon M. and Whitney M. Braun subject to obtaining an Assignment of Feeding Contract.

**BEGINNING FARMER LOAN AMENDING RESOLUTIONS**

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

Resolution 04543M – Sarah S. and Daniel Osborn – Lincoln Savings Bank in Reinbeck is the lender. The amendment will lower the interest rate from 5.00% to 3.875% until July 1, 2025 at which time the rate will adjust to the original index of 2.10% above the Federal Home Loan Bank of Des Moines 3 year fixed rate advance rate rounded to the nearest 0.125% and be adjustable every three years thereafter. Due to the rate decrease the annual payment amount will decrease from \$15,462.98 to \$14,171.95 beginning on June 16, 2021. Add a rate ceiling of 7.00% and a rate floor of 3.50%. Change maiden name Sarah S. Storjohann to married name of Sarah S. Osborn and add husband Daniel Osborn to all documents. All other loan terms will remain the same.

Resolution AG 15-031M – Brian J. and Amanda M. Streeper – New Albin Savings Bank in New Albin is the lender. The amendment will increase the interest rate from 2.95% variable to 2.98% fixed until the shortened maturity of June 15, 2035. Shorten the

maturity from 30 years fully amortized to 20 years fully amortized from the origination date. Due to the rate increase and the shortened maturity the monthly payment amount will increase from \$384.69 to \$531.50 beginning on July 15, 2020. All other loan terms will remain the same.

Resolution AG 19-040M – Ryan V. and Lisa J. Borntrager – Hills Bank in Kalona is the lender. The amendment will lower the interest rate from 4.69% to 3.69% until July 16, 2026 at which time the rate will adjust to the original index of 80% of the 5 year Treasury plus 3.00% and be adjustable every five years thereafter. Decrease the rate floor from 4.69% to 3.69%. All other loan terms will remain the same.

### **MOTION**

On a motion by Mr. Fredrickson 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 20-023 – Douglas D. and Jill M. Williamson – Beginning farmer loan of \$123,500 to purchase approximately 40 acres of agricultural land in Palo Alto County. The loan will have a 3.10% variable interest rate and a loan length of 30 years. The index will be 1.00% below Iowa State Bank's 1 year Ag real estate rate. The lender is Iowa State Bank in Ruthven, Iowa.

AG 20-024 – Carter T. and Madisen R. Williamson – Beginning farmer loan of \$123,500 to purchase approximately 40 acres of agricultural land in Palo Alto County. The loan will have a 3.10% variable interest rate and a loan length of 30 years. The index will be 1.00% below Iowa State Bank's 1 year Ag real estate rate. The lender is Iowa State Bank in Ruthven, Iowa.

AG 20-025 – Austin and Katie Van Zee – Beginning farmer loan of \$120,000 to purchase agricultural machinery including a Truck with Feeder Box, Skid loader, Tractor and Manure Spreader in Lyon County. The loan will have a 4.25% fixed interest rate and a loan length of 6 years. The lender is Premier Bank in Rock Valley, Iowa.

AG 20-026 – Brandon M. and Whitney M. Braun – Beginning farmer loan of \$300,000 to purchase approximately 6.24 acres of agricultural land, house and out-buildings including 2,530 Hd Hog Buildings in Cerro Gordo County. The loan will have a 4.00% variable interest rate and a loan length of 12 years. The index will be 3.00% above the 5 yr AMT. The lender is First Citizens Bank in Clarion, Iowa.

### **MOTION**

On a motion by Ms. McLain 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 July 22, 2020 at 8:54 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing and bond document recommendation will include BFLP projects AG 19-049 and AG 19-050 which are requesting an increase from the original approved Bond amount. The public hearing was closed at 8:57 am.

### **MOTION**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, 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 22 new BFTC applications for an estimated tax credit amount of \$448,558. He noted that of those 22; 12 are cash rent, 8 are crop share, 1 is a hybrid lease and 1 is a flex lease.

### **MOTION**

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

### **MARKETING UPDATE**

Included in the Board packet is the IADD marketing calendar. Steve noted that there are currently no events scheduled.

### **OTHER BUSINESS**

### **IFA BOARD MEETING UPDATE**

Director Durham presented the agenda from the July 8<sup>th</sup> IFA Board Meeting. She gave the IADD Board a brief update of the items discussed. She also discussed a request from the Governor's office to create and administer three Ag programs to assist farmers who have been affected by COVID 19 losses. These programs would be funded by CARES Act money. The three programs will consist of a beginning farmer program to help pay down long-term debt, a livestock program to provide grants to livestock producers and a bio-fuel program. Once the framework and eligibility for the programs is determined it will be sent out to the IADD Board for their review and input. The programs will most likely launch sometime in August. Director Durham also gave an update on the re-boarding of 1963 Bell Ave, approximately 30% of the staff is back in the office and will continue re-boarding with the input of staff. Re-boarding will also depend largely on what schools decide to do since childcare is a huge concern for many employees.

**UPDATE ON NARRC CONFERENCE**

Mr. Leonard asked if the NARRC Conference is still scheduled as planned since it is still showing on the website as an upcoming conference. Steve Ferguson stated that the conference has been cancelled and they are working with a website provider to get the information on the website updated.

**NEXT IADD BOARD MEETING**

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

**ADJOURNMENT**

On a motion by Mr. Fredrickson and a second by Ms. McLain, the July 22, 2020 meeting of the IADD Board of Directors adjourned at 9:15 am.

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

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:

  
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Lyle Borg, Chair  
IADD Board