



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 24, 2021

Board Members Present

Lyle Borg, Chair
Annette Townsley, Vice Chair

John Fredrickson
Mark Leonard

Board Members Absent

Gretchen McLain

Staff Members Present

Lori Beary, Chief Bond Programs Director
Debi Durham, Executive Director
Steve Ferguson, IADD Program Specialist

Tammy Nebola, IADD Program Specialist
Aaron Smith, Chief Bond Programs Director
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 March 24, 2021 at 8:30 am. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson and Leonard with McLain absent.

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the March 3rd IFA Board Meeting. Director Durham gave a brief update on programs and the housing bill which is working its way through the legislator.

INTRODUCTION OF AARON SMITH, NEW CHIEF BOND PROGRAMS DIRECTOR

Lori Beary introduced Aaron Smith the new Chief Bond Programs Director. Aaron Smith expressed his excitement to learn more about the IADD Division and programs.

REVIEW OF MINUTES OF FEBRUARY 24, 2021 BOARD MEETING

Mr. Borg presented the minutes of the February 24, 2021 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. Townsley, the Board unanimously approved the minutes of the February 24, 2021 IADD Board meeting.

REVIEW OF FEBRUARY 2021 FINANCIAL STATEMENT

Becky Wu presented the February 2021 financials. She stated that for FY21 year-to-date, IADD had operating income of \$303,000 operating expense of \$226,000 and net operating income of \$77,000.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the Board unanimously approved the February 2021 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation applications.

P0301 - Andrew W. and Makenzie M. Pottebaum. The LPP application is for \$195,000. The borrower will construct a 390 Hd Cattle Buildings. Total project cost is \$670,000. The borrower has also applied for a Beginning Farmer Loan AG 21-015. The bank is Iowa State Bank in Remsen.

MOTION

On a motion by Mr. Leonard and a second by Mr. Fredrickson, the Board unanimously approved the loan participation for Andrew W. and Makenzie M. Pottebaum subject to obtaining a Guaranty from Andrew's parents secured by 60 acres and an Assignment of Feeding Contract.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola noted that project AG 17-089 will be tabled until April to allow for a public hearing; she then presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution 03760M – Scott Lindsay – Citizens State Bank in Winthrop is the lender. The amendment will lower the interest rate from 5.49% to 2.97% until March 1, 2026 at which time the rate will adjust to the original index of 75% of Citizens State Bank's five year adjustable rate for real estate and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$7,883.03 to \$6,418.37 beginning on March 1, 2022. All other loan terms will remain the same.

Resolution 03882M – Dallas E. and Tammy L. Janssen – Availa Bank in Pocahontas is the lender. The amendment will lower the interest rate from 5.00% to 3.75% until March 1, 2031 at which time the rate will adjust from the original index of 1.00% over the New York Prime Rate as published in the Wall Street Journal to 0.50% above the New York Prime Rate as published in the Wall Street Journal and change from adjustable every five

years to adjustable every ten years thereafter. Decrease the rate floor from 5.00% to 3.50%. The bank name has changed from Citizens State Bank to Availa Bank. All other loan terms will remain the same.

Resolution 04413M – Kyle J. and Mindy De Jager – American State Bank in Alvord is the lender. The amendment will lower the interest rate from 7.125% to 4.75% until March 1, 2026 at which time the rate will adjust from the original index of 80% of the announced prime rate of American State Bank to the new index of 3.00% above the 5 year Treasury Bill and change from adjustable annually to adjustable every five years thereafter. All other loan terms will remain the same.

Resolution 04565M – Joseph and Elissa B. Riesberg – Westside State Bank in Halbur is the lender. The amendment will lower the interest rate from 6.50% to 4.25% until January 15, 2031 at which time the rate will adjust from the original index of 100% of Westside State Bank's Farm Real Estate Rate to the new index of 100% of Westside State Bank's 10 year Ag Real Estate Rate and change from adjustable annually to adjustable once on January 15, 2031 then fixed until maturity. Due to the rate decrease the annual payment amount will decrease from \$15,286.53 to \$12,187.99 beginning on January 15, 2022. Decrease the rate floor from 5.50% to 4.25%. All other loan terms will remain the same.

Resolution 04566M – Gary L. and Debra Riesberg – Westside State Bank in Halbur is the lender. The amendment will lower the interest rate from 6.50% to 4.25% until January 15, 2031 at which time the rate will adjust from the original index of 100% of Westside State Bank's Farm Real Estate Rate to the new index of 100% of Westside State Bank's 10 year Ag Real Estate Rate and change from adjustable annually to adjustable once on January 15, 2031 then fixed until maturity. Due to the rate decrease the annual payment amount will decrease from \$36,678.86 to \$29,932.41 beginning on January 15, 2022. Decrease the rate floor from 5.50% to 4.25%. All other loan terms will remain the same.

Resolution AG 13-007M – Brian P. and Laura A. Keehner – Luana Savings Bank in Luana is the lender. The amendment will lower the interest rate from 3.95% to 3.40% until March 1, 2041 at which time the rate will adjust to the original index of 0.75% above the announced prime rate of Wall Street Prime and be adjustable every five years thereafter. Decrease the rate floor from 3.95% to 3.40%. All other loan terms will remain the same.

Resolution AG 18-068M – Ross Allan Kurash – Citizens Savings Bank in Spillville is the lender. The amendment will lower the interest rate from 4.25% to 3.25% until March 1, 2026 at which time the rate will adjust to the original index of 100% of Citizens Savings Bank 5 year variable tax exempt real estate rate and be adjustable every five years thereafter. 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 to table AG 17-089 until April and approved the remaining Beginning Farmer Loan Program Amending Resolutions.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 21-012 – Travis Poffenbarger and Haley DeMoss – Beginning farmer loan of \$112,500 to purchase approximately 40 acres of agricultural land, house and out-buildings in Marion County. The loan will have a 3.50% variable interest rate and a loan length of 30 years. The index will be 80% of Bank's Annual Variable Interest Rate. The lender is Marion County State Bank in Knoxville, Iowa.

AG 21-014 – Megan K. Johnson – Beginning farmer loan of \$142,500 to purchase approximately 40 acres of agricultural land in Allamakee County. The loan will have a 3.20% variable interest rate and a loan length of 30 years. The index will be 0.05% below Wall Street Prime. The lender is Luana Savings Bank in Luana, Iowa.

AG 21-015 – Andrew W. and Makenzie M. Pottebaum – Beginning farmer loan of \$250,000 to construct a 390 Hd Cattle Buildings in Plymouth County. The loan will have a 3.50% fixed interest rate and a loan length of 15 years. The lender is Iowa State Bank in Remsen, Iowa.

AG 21-016-I – Benjamin Joseph and Kelly Marie Butcher – Beginning farmer contract of \$240,000 to purchase approximately 60 acres of agricultural land in Pocahontas County. The contract will have a 3.50% fixed interest rate and a contract length of 30 years. The contract seller is Pamela J. Clark in Morrison, Iowa.

MOTION

On a motion by Ms. Townsley 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 March 24, 2021 at 9:00 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:01 am.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, 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 34 new BFTC applications for an estimated tax credit amount of \$903,007. He noted that of those 34; 10 are cash rent, 20 are crop share and 4 are a hybrid lease.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, 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 change. There was one change to reduce the cash rent.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, 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 reviewed some of the recent events he's attended. He also discussed some upcoming events. The final IADD Webinar will be the afternoon of March 24th.

OTHER BUSINESS

IADD REPRESENTATIVE TO SERVE ON THE IFA BOARD

Mr. Borg asked the IADD Board if they had time to think about serving as the IADD Representative on the IFA Board and asked if there were any volunteers. IFA Board training will be held May 4th from 1:30 – 4:30 pm, followed by monthly program highlights after the IFA Board meetings starting May 5th through August 4th, all IADD Board Members are welcome to attend the training or program spotlights. Ms. Townsley nominated Mr. Borg to continue to serve as the IADD Representative on the IFA Board.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously approved Mr. Borg to continue to serve as the IADD Representative on the IFA Board.

NEXT IADD BOARD MEETING

The April IADD Board meeting will be Wednesday, April 28, 2021 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the March 24, 2021 meeting of the IADD Board of Directors adjourned at 9:15 am.

Dated this 28th day of April, 2021.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board