



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
April 28, 2021

Board Members Present

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

Board Members Absent

None

Staff Members Present

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
Christine Gruenhagen, Iowa Farm Bureau Federation

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on April 28, 2021 at 8:30 am. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson, Leonard and McLain.

BOARD MEMBER REAPPOINTMENT

Mr. Borg thanked Ms. Townsley for her work throughout the years on the IADD Board and congratulated her on reappointment to the Board. Her term was set to expire on April 30, 2021, however with the reappointment it will now expire on April 30, 2027.

REVIEW OF MINUTES OF MARCH 24, 2021 BOARD MEETING

Mr. Borg presented the minutes of the March 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. McLain, the Board unanimously approved the minutes of the March 24, 2021 IADD Board meeting.

REVIEW OF MARCH 2021 FINANCIAL STATEMENT

Becky Wu presented the March 2021 financials. She stated that for FY21 year-to-date, IADD had operating income of \$382,000 operating expense of \$271,000 and net operating income of \$111,000.

MOTION

On a motion by Ms. McLain and a second by Mr. Fredrickson, the Board unanimously approved the March 2021 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0303 - Carter A. and Jordan A. Hesseltine. The LPP application is for \$40,500. The borrower will purchase approximately 26 acres of agricultural land and 5 cows. Total project cost is \$142,500, however the \$7,500 for cows will not be a part of the LPP project. The borrower has also applied for a Beginning Farmer Loan AG 21-022. The bank is Hills Bank & Trust Company in Kalona.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the loan participation for Carter A. and Jordan A. Hesseltine.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04483M – Timothy M. Langel – Primebank in Le Mars is the lender. The amendment will lower the interest rate from 3.825% to 3.25% until April 1, 2026 at which time the rate will adjust to the original index of 85% of Primebank Prime Real Estate Rate and be adjustable quarterly thereafter. All other loan terms will remain the same.

Resolution 04617M – Bobby J. and Dana L. Gannon – De Witt Bank & Trust Company in De Witt is the lender. The amendment will lower the interest rate from 5.00% to 2.75% until April 1, 2031 at which time the rate will adjust to the original index of 1.00% above the announced prime rate of 10 Largest US Banks known as the Wall Street Journal U.S. Prime Rate and be adjustable daily thereafter. Due to the rate decrease the annual payment amount will decrease from \$15,821.44 to \$12,812.15 beginning on April 1, 2022. All other loan terms will remain the same.

Resolution AG 17-089M – Patrick I. and Kimberly R. Hoffman – Security State Bank in New Hampton is the lender. The amendment will transfer the bondholder from Fidelity Bank and Trust fka State Bank, New Hampton, IA to Security State Bank, New Hampton, IA. Lower the interest rate from 3.50% to 3.40% until December 31, 2025 at which time the rate will adjust from the original index of 2.00% above the announce prime rate of 5

Year Treasury to the new index of 1.55% below Security State Bank's Base rate and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$25,645.42 to \$25,070.22 beginning on December 31, 2021. Change the Security document to a Deed of Trust dated December 11, 2020. Fidelity Bank and Trust will be assigning all loan and bond documents to Security State Bank. 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 21-017 – Brady and Taylor L. Otis – Beginning farmer loan of \$352,975 to purchase approximately 80 acres of agricultural land in Hancock County. The loan will have a 3.745% fixed interest rate and a loan length of 30 years. The lender is Titonka Savings Bank in Titonka, Iowa.

AG 21-018 – Craig Cole – Beginning farmer loan of \$300,000 to purchase approximately 73.75 acres of agricultural land in Fayette County. The loan will have a 3.50% variable interest rate and a loan length of 30 years. The index will be 2.65% above the US Treasury Rate. The lender is Bank 1st in West Union, Iowa.

AG 21-019 – Landon John and Johanna Karen Ludwig – Beginning farmer loan of \$345,850 to purchase approximately 80 acres of agricultural land in Hancock County. The loan will have a 3.50% fixed interest rate and a loan length of 30 years. The lender is Titonka Savings Bank in Titonka, Iowa.

AG 21-020 – Christopher Michael and Emily Jean Ludwig – Beginning farmer loan of \$345,850 to purchase approximately 80 acres of agricultural land in Hancock County. The loan will have a 3.50% fixed interest rate and a loan length of 30 years. The lender is Titonka Savings Bank in Titonka, Iowa.

AG 21-021 – Samuel Craig Ludwig – Beginning farmer loan of \$345,850 to purchase approximately 80 acres of agricultural land in Hancock County. The loan will have a 3.50% fixed interest rate and a loan length of 30 years. The lender is Titonka Savings Bank in Titonka, Iowa.

AG 21-022 – Carter A. and Jordan A. Hesseltine – Beginning farmer loan of \$102,000 to purchase approximately 26 acres of agricultural land and 5 cows in Washington County. The loan will have a 3.20% variable interest rate and a loan length of 25 years. The index will be 80% of the 5 year Treasury rate + 2.50%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 21-023 – Michael Harold and Tiffany Lu Wiele – Beginning farmer loan of \$175,000 to purchase approximately 97 acres of agricultural land in Louisa County. The loan will have a 3.20% variable interest rate and a loan length of 30 years. The index will be 80% of the 5 year Treasury rate + 2.50%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

MOTION

On a motion by Mr. Fredrickson 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 April 28, 2021 at 8:51 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:52 am.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously recommended approval of the BFLP Bond documents which included all seven of the new Beginning Farmer Loan Projects as well as reissuance of AG 17-089.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 50 new BFTC applications for an estimated tax credit amount of \$922,635. He noted that of those 50; 34 are cash rent, 15 are crop share, and one is a hybrid lease. There was some discussion on specific projects.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, 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 seven change requests, he noted that of those seven, three were to increase the number of acres, two were to reduce the cash rent, one was to increase the number of acres and decrease the cash rent and one was to change from a cash rent lease to a crop share 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 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 and noted that IADD will be holding 3 more webinars prior to the August 1st BFTC application deadline.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the April 7th IFA Board Meeting. He gave the IADD Board a brief update of the items discussed.

MAMBA UPDATE

Tammy Nebola shared that MAMBA was introduced in the House on April 23, 2021 by Representative Stephanie Murphy (D-FL) and Darin LaHood (R-IL). The bill has bipartisan support. She gave a brief recap on how the changes in MAMBA effect the Aggie Bond program. CDFA who has assisted in the support of this bill, is looking to Iowa to discuss a possible Senate introduction with Senator Grassley’s office. In the past when Senator Grassley was the Senate Ag Committee Chair he was reluctant to introduce bills but now that he is no longer Chair, CDFA is hoping he will step up to introduce MAMBA in the Senate.

IFA OFFICE UPDATE

Aaron Smith gave a brief update on the office reboarding status and plans.

NEXT IADD BOARD MEETING

The May IADD Board meeting will be Wednesday, May 26, 2021 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. McLain, the April 28, 2021 meeting of the IADD Board of Directors adjourned at 9:15 am.

Dated this 26th day of May 2021.

Respectfully submitted:



Aaron Smith
Director’s Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board