

# IOWA AGRICULTURAL DEVELOPMENT DIVISION

## BECAUSE WE KNOW "FARMER" IS NOT A JOB TITLE – IT'S A LEGACY

It's no secret that Iowa is rich in farming tradition but, obtaining enough capital to pursue the dream of a future in production agriculture can be challenging for our next generation of farmers. That's why the Iowa Finance Authority offers programs specifically designed to assist new farmers.

### BEGINNING FARMER LOAN PROGRAM

This program assists new farmers in acquiring farmland, machinery, equipment, buildings or breeding livestock. Beginning farmer loans typically carry interest rates of 20 to 25 percent below prevailing market rates.

### BEGINNING FARMER TAX CREDIT PROGRAM

Iowa offers an incentive to landowners for leasing their farmland, machinery, equipment or buildings to beginning farmers.

### LOAN PARTICIPATION PROGRAM

Getting a loan sometimes requires extra support. We're here to help you secure down payment assistance for your agricultural purchase.

**TAMMY NEBOLA - Loan Programs**  
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**STEVE FERGUSON - Tax Credit Program**  
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## ELIGIBILITY

MAXIMUM NET WORTH	2021 \$686,000	AGE	Must be at least 18 years old; no upper age limit
RESIDENCE	The applicant must be a resident of Iowa	MANAGEMENT	Must be owner/operator
TRAINING AND EXPERIENCE	Must have sufficient education, training and experience for the anticipated farm operations		
ACCESS TO CAPITAL	Must have access to the following as needed: adequate working capital, farm machinery, livestock, agricultural land		
LAND OWNERSHIP	Loan Participation Program (LPP): No restriction Beginning Farmer Loan Program (BFLP): Must be below 30% of the county median		

## LOANS

## TAX CREDIT

	BEGINNING FARMER LOAN PROGRAM (BFLP)	LOAN PARTICIPATION PROGRAM (LPP)	BEGINNING FARMER TAX CREDIT (BFTC)
APPLICATION FEE	\$100		ACRES: 100 or less: \$300 101-249: \$400 / 250 or more: \$500
CLOSING FEE	<ul style="list-style-type: none"> <li>1.5% of bond or participation loan</li> <li>\$300 minimum</li> </ul>		None
APPLICATION DEADLINE	First of every month		August 1
ELIGIBLE PROJECT	Purchase of land, machinery, equipment, breeding livestock		<ul style="list-style-type: none"> <li>Must include land</li> <li>May also include equipment and/or buildings</li> </ul>
PROGRAM MAXIMUMS	<ul style="list-style-type: none"> <li>Land: \$558,000</li> <li>Farm improvements and new depreciable property: \$250,000</li> <li>Used depreciable property: \$62,500</li> </ul>	<ul style="list-style-type: none"> <li>30% of the project cost up to \$200,000</li> </ul>	<ul style="list-style-type: none"> <li>Tax credit: \$50,000 per taxpayer/year</li> <li>Years: 10 per taxpayer</li> <li>Cash rent cannot exceed 30% above county average cash rent</li> </ul>
TERMS	<ul style="list-style-type: none"> <li>Loan terms are set by the lender or contract seller</li> <li>Contract sales not permitted between spouse, parents, grandparents or siblings</li> <li>Feeding contracts must be on a per-head/per-day basis</li> </ul>	<ul style="list-style-type: none"> <li>The rate will lock at the time of IADD approval and be fixed for the 10-year term</li> <li>Interest rate: 3.25%</li> <li>10-year balloon with 20-year amortization on land or 12-year amortization on facilities</li> <li>Must meet IADD underwriting criteria</li> </ul>	<b>TAX CREDIT AMOUNTS:</b> <ul style="list-style-type: none"> <li>Cash rent: 5%</li> <li>Crop Share Leases: 15%</li> <li>Flex Lease Portion: 15%</li> </ul> <b>LEASES:</b> <ul style="list-style-type: none"> <li>Terms and duration are set by the asset owner</li> <li>Must be a 2-5 year term</li> </ul>



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A DIVISION OF IOWA FINANCE AUTHORITY

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