



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
September 21, 2022

Board Members Present

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

Board Members Absent

None

Staff Members Present

Nicki Howell, IADD Program Specialist
Tammy Nebola, IADD Program Specialist
Aaron Smith, Chief Bond Programs Director

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 September 21, 2022 at 8:35 a.m. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson, Leonard, and McLain.

REVIEW OF MINUTES OF AUGUST 24, 2022 BOARD MEETING

Mr. Borg presented the minutes of the August 24, 2022 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 August 24, 2022 IADD Board meeting.

REVIEW OF AUGUST 2022 FINANCIAL STATEMENT

Aaron Smith presented the August 2022 financials. He stated that for FY23 year-to-date, IADD had operating income of \$101,000 operating expense of \$50,000 and net operating income of \$51,000.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the August 2022 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0313 - Mason P. Reimer. The LPP application is for \$172,584. The borrower will purchase approximately 40 acres of agricultural land. Total project cost is \$575,280. The borrower has also applied for a Beginning Farmer Loan AG 22-032. The bank is Community Savings Bank in Edgewood.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the loan participation for Mason P. Reimer.

LLP CERTIFICATE AND AGREEMENT PROPOSED REVISIONS

Tammy Nebola requested board action on revisions to the Loan Participation Program Certificate and Agreement that were presented at the August board meeting and provided in the meeting packet.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously approved the changes to the LLP Certificate and Agreement.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04496M – Shawn L. Sponheim – First Security Bank & Trust in Manly is the lender. The amendment will transfer the bondholder from First Citizens Bank, Mason City, IA to First Security Bank & Trust, Manly, IA. Lower the interest rate from 3.61% to 2.97% until April 15, 2032 at which time the rate will adjust from the index of 2.00% over the five (5) year CMT to the new rate index of 2.76% over the five (5) year CMT and be adjustable every five years thereafter. Due to the rate decrease the annual payment will decrease from \$14,115.05 to \$13,985.81 beginning on March 15, 2023. First Citizens Bank will be assigning all loan, and bond documents to First Security Bank & Trust. The security documents will include an assigned real estate mortgage dated March 15, 2020, from U.S. Bank, N.A. and a new real estate mortgage dated October 5, 2022, from First Security Bank & Trust. All other loan terms will remain the same.

Resolution 04658M – Samuel R. and Sara F. Bender – Hills Bank & Trust Company in Kalona is the lender. The amendment will lower the interest rate from 5.83% to 5.45% until October 1, 2027 at which time the rate will adjust from the original index of 100% of the one (1)

year Treasury + 3.00% to the new rate index of 70% of the five (5) year Treasury + 3.00% 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. 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 22-032 – Mason P. Reimer – Beginning farmer loan of \$115,056 to purchase approximately 40 acres of agricultural land in Clayton County. The loan will have a 4.999% fixed interest rate and a loan length of 30 years. The lender is Community Savings Bank in Edgewood, Iowa.

AG 22-033 – William Paul and Taylor Mary Clough – Beginning farmer loan of \$338,125 to purchase approximately 75 acres of agricultural land in Webster County. The loan will have a 3.88% variable interest rate and a loan length of 30 years. The index will be 80% of bank's 5 year real estate rate tied to the 5 year treasury index. The lender is First State Bank in Webster 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 September 21, 2022 at 8:53 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:54 a.m.

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

Tammy Nebola presented a summary of the Beginning Farmer Tax Credit applications. There were 21 new BFTC applications for an estimated tax credit amount of \$355,755. She noted that of those 21 leases; 11 are cash rent, 9 are crop share, and one is a hybrid 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. Tammy Nebola discussed some upcoming events; Iowa State agriculture econ class in November, CSRF Farming for the Future Conference in December, and Cresco Bank Beginning Farmer Seminar and Practical Farmers Conference in January. Ms. Nebola also shared that workshop requests will be postponed until Spring due to the number of BFTC applications needing to be processed.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the September 7, 2022 IFA Board Meeting. Aaron Smith gave the IADD Board a brief update of the items discussed. The IFA meeting was held at the HousingIowa Conference, which had record attendance this year. Mr. Smith shared that the HAF Program has provided \$2 million to lowans that are delinquent on their mortgages due to COVID-19 related financial hardships.

Mr. Smith shared that the IADD staff is going to spend the next several months focusing a lot of time on reviewing and approving the backlog of roughly 120 BFTC applications.

The IADD Board inquired whether there had been any additional conversations between Director Durham and Secretary Naig about a task force to discuss the IADD programs. IADD Staff shared that they were unaware of any additional conversations but will follow up with Director Durham so they can give the IADD Board an update at the October IADD Board Meeting.

NEXT IADD BOARD MEETING

The October IADD Board meeting will be Wednesday, October 26th, 2022 at 8:30 a.m., via conference call.

This was Chairman Borg's last IADD Board Meeting, IADD Board and Staff expressed their gratitude to him for his leadership on the Board throughout his term.

ADJOURNMENT

On a motion by Ms. McLain and a second by Mr. Fredrickson, the September 21, 2022 meeting of the IADD Board of Directors adjourned at 9:02 a.m.

Dated this 26th day of October 2022.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



John Fredrickson, Chair
IADD Board