



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
January 23, 2023

Board Members Present

John Fredrickson, Chair Kevin Boyle
Annette Townsley, Vice Chair Gretchen McLain

Board Members Absent

Mark Leonard

Staff Members Present

Nicki Howell, IADD Program Specialist Aaron Smith, Chief Bond Programs Director
Tammy Nebola, IADD Program Specialist Becky Wu, Accounting Manager
Beau Hanson, IT

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 Fredrickson on January 23, 3 at 8:34 a.m. A quorum was established with the following Board Members present via conference call: Fredrickson, Townsley, Boyle, and McLain.

REVIEW OF MINUTES OF DECEMBER 28, 2022 BOARD MEETING

Mr. Fredrickson presented the minutes of the December 28, 2022 IADD Board Meeting. Mr. Fredrickson asked if there were any additions or corrections to the minutes. There were none.

MOTION

On a motion by Mr. Boyle and a second by Ms. Townsley, the Board unanimously approved the minutes of the December 28, 2022 IADD Board meeting.

REVIEW OF DECEMBER 2022 FINANCIAL STATEMENT

Becky Wu presented the December 2022 financials. She stated that for FY23 year-to-date, IADD had operating income of \$251,000, an operating expense of \$156,000, and a net operating income of \$95,000. Staff and the board discussed the LPP loan commitments.

MOTION

On a motion by Ms. Townsley and a second by Mr. Boyle, the Board unanimously approved the December 2022 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation applications.

P0315 - Cory E. Steinfeldt and Lynette K. Dunham-Steinfeldt. The LPP application is for \$200,000. The borrower will purchase approximately 120 acres of agricultural land, house and out-buildings. Total project cost is \$810,000. The borrower has also applied for a Beginning Farmer Loan AG 22-044. The bank is Lincoln Savings Bank in Tama.

MOTION

On a motion by Ms. Townsley and a second by Mr. Boyle, the Board unanimously approved the loan participation for Cory E. Steinfeldt and Lynette K. Dunham-Steinfeldt.

P0316 - Jared Meister. The LPP application is for \$200,000. The borrower will purchase approximately 43 acres of agricultural land. Total project cost is \$700,900. The bank is Iowa State Bank in Sac City.

MOTION

On a motion by Ms. Townsley and a second by Mr. Boyle, the Board unanimously approved the loan participation for Jared Meister.

POTENTIAL CHANGES TO LPP INTEREST RATE

Tammy Nebola shared that the LPP interest rate will re-price to 7.50% on February 1, 2023. This results in the LPP interest rate doubling from 2022 to 2023 and staff has discussed reducing the interest rate to avoid the high interest rate from discouraging use of the program. On January 17th, the LPP Loan Committee discussed the issue and recommended reducing the 2023 LPP interest rate to a fixed 4.00% after verifying that the LPP LOC lending rate will continue to be 1.00%.

MOTION

On a motion by Mr. Boyle and a second by Ms. McLain, the Board unanimously approved reducing the 2023 LPP interest rate to 4.00%.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution AG 17-093M – David J. Ruzicka – Luana Savings Bank in New Hampton is the lender. The amendment will make the following changes: Borrower was past due on loan payments due to a switch in hog barn integrators, skipping January and February payments and re-amortizing loan after rate increase with next payment due March 5,

2023. Increase the interest rate from 4.50% Fixed to 5.50% Fixed until maturity of September 5, 2038. Due to the rate increase and the skipped payments the monthly payment amount will increase from \$1,263.29 to \$1,415.00 beginning on March 5, 2023. 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 Resolution as amended.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 22-044 – Cory Edward Steinfeldt and Lynette Kaye Dunham- Steinfeldt – Beginning farmer loan of \$486,000 to purchase approximately 120 acres of agricultural land, house and out-buildings in Union County. The loan will have a 4.98% variable interest rate and a loan length of 30 years. The index will be 1.85% above Des Moines FHLB 5 year rate. The lender is Lincoln Savings Bank in Tama, Iowa.

AG 23-001 – Jacob J. and Celeste Marie Burt – Beginning farmer loan of \$321,750 to purchase approximately 39 acres of agricultural land in Marshall County. The loan will have a 4.95% variable interest rate and a loan length of 30 years. The index will be 75% of (5-Year US Treasury plus 3.00% margin). The lender is Green Belt Bank & Trust in Grundy Center, Iowa.

AG 23-002 – Ryan Siems – Beginning farmer loan of \$387,500 to purchase approximately 70 acres of agricultural land in Butler County. The loan will have a 4.875% variable interest rate and a loan length of 30 years. The index will be 75% of the 5-Year US Treasury index plus 2.75%. The lender is Green Belt Bank & Trust in Iowa Falls, Iowa.

AG 23-003 – Levi and Amanda Shetler – Beginning farmer loan of \$553,534 to purchase approximately 149.4 acres of agricultural land in Adair County. The loan will have a 4.50% variable interest rate and a loan length of 30 years. The index will be Wall Street Journal Prime Rate minus 3.00%. The lender is Union State Bank in Greenfield, Iowa.

AG 23-004 – Logan R. and Carina E. Howe – Beginning farmer loan of \$441,108 to purchase approximately 122.53 acres of agricultural land in Cedar County. The loan will have a 5.20% variable interest rate and a loan length of 30 years. The index will be 0.25% below bank's prime rate. The lender is Liberty Trust & Savings Bank in Durant, Iowa.

AG 23-005 – Peter John and Cassidy Jo Youngblut – Beginning farmer loan of \$350,000 to purchase approximately 70 acres of agricultural land and out-buildings in Black Hawk County. The loan will have a 4.95% variable interest rate and a loan length of 30 years. The index will be 80% of the bank's prime rate, such prime rate is currently 8.00%. The lender is WCF Financial Bank in Independence, Iowa.

AG 23-006 – Grant Kuehnast – Beginning farmer loan of \$538,000 to purchase approximately 80 acres of agricultural land and out-buildings in Humboldt County. The loan will have a 4.50% variable interest rate and a loan length of 30 years. The index will be 1.00 basis points above FHLB five year rate. The lender is Northwest Bank in Fort Dodge, Iowa.

AG 23-007-I– Morgan L. and Drew Johnston – Beginning farmer contract sale of \$616,100 to purchase approximately 21 acres of agricultural land, house and out-buildings including cattle facilities in Story County. The contract will have a 4.00% fixed interest rate and a contract length of 20 years with a call option at 5 years and annually thereafter. The contract seller is Couser Cattle Company in Nevada, Iowa.

MOTION

On a motion by Mr. Boyle and a second by Ms. Townsley, 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 January 23, 2023 at 9:40 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:41 a.m.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Tammy Nebola shared that there were no new BFTC applications this month. She also shared that the 2022 tax credit certificates will be mailed out this afternoon.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Tammy Nebola reviewed some of the recent events that staff has attended such as a radio interview with the Big Show and a booth at the Practical Farmers of Iowa Conference. She also discussed some upcoming events. In February, Tammy and/or Nicki will be attending the KIIC Farm Show in Ottumwa, the Iowa PAS Spring Conference in Ankeny, and the IBA Ag Bankers Conference in Ames. They will also have presentations at ISU Alpha Gamma Rho, Coldwell Banker Ag Division, DMAACC, the Cresco Bank Beginning Farmer Seminar, and the Farms Transitions Conference.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Mr. Fredrickson presented the agenda from the January 4, 2023 IFA Board Meeting. He gave the IADD Board a brief update of the items discussed. Aaron Smith shared that the

legislative session has started, and that the Governor announced a plan to align several state agencies which will not directly affect IFA employees.

NEXT IADD BOARD MEETING

The next IADD Board meeting will be Wednesday, February 22, 2023 at 8:30 a.m., via conference call.

ADJOURNMENT

On a motion by Mr. Boyle and a second by Ms. McLain, the January 23, 2023 meeting of the IADD Board of Directors adjourned at 9:56 a.m.

Dated this 22nd day of February 2023.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



John Fredrickson, Chair
IADD Board