

income of \$40,000. Ms. Townsley asked whether we were concerned about the amount of LPP's approved compared to the amount of funds available. Ms. Beary replied that we are tracking the LPP closings carefully to better anticipate funding needs. Also, Mr. Ferguson has been following up with old LPP applications that were approved but never closed to determine if and when they will close.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the November 2018 financial statement as presented.

LOAN PARTICIPATION PROGRAM

P0282 – Brady and Jodi Boell. The LPP application is for \$132,000. The borrower will purchase 5.61 acres and 3 confinement buildings. Total project cost is \$440,000. The bank is Iowa Savings Bank in Coon Rapids.

MOTION

On a motion by Ms. Euken and a second by Mr. Fredrickson, the Board unanimously approved the loan participation for Brady and Jodi Boell subject to an assignment of feeding contract and a parental guarantee.

LOAN PARTICIPATION PROGRAM POLICY CONSIDERATIONS

EXPIRATION OF CONDITIONAL COMMITMENTS

When a LPP is approved, a conditional commitment is sent. The commitment is good for six months. After reviewing old LPP's that never closed, it was discovered that many of these commitments have expired. Steve Ferguson requested the Board set a policy regarding the requirements to extend our commitment. The new policy states:

Any request for an extension must include an updated financial statement of the beginning farmer, a new cash flow statement for the project and an explanation of the delay.

If the lender requests an extension of the commitment within one month of the expiration date, the staff may approve an extension up to another six months.

If the lender requests an extension of the commitment between 2 and 6 months after the expiration date, the loan committee must approve the extension.

If the lender requests an extension of the commitment more than six months after the expiration of the conditional commitment, the IADD Board must approve the extension.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the new policy regarding expired LPP conditional commitments.

LPP LIFETIME MAXIMUM

Mr. Ferguson also asked the Board about maximum lifetime amounts for LPP's. After discussion, the Board said they didn't think there should be any lifetime maximum amount for the Loan Participation Program. As long as the beginning farmer still meets the eligibility requirements, there is no limit to the amount of times the program can be used.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Lori Beary presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution AG 15-098M – Seth W. Kloetzer – Green Belt Bank & Trust in Iowa Falls is the lender. The amendment will allow for the collection of an interest only payment on 3/31/2019 and add the principal to the end of the note on 3/31/2046. All other loan terms will remain the same. Eff. 03/31/2019.

Resolution AG 17-036M – Jacob F. and Kaitlin J. Kempel – Luana Savings Bank in Ossian is the lender. The amendment will re-amortize the loan balance over the remaining term after applying the annual payment and an additional \$201,580.44. Annual payments are reduced from \$14,041.25 to \$3,596.34. Maturity date changed from 12/1/2047 to 12/1/2033. All other loan terms will remain the same. Eff. 11/9/18.

MOTION

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions.

BEGINNING FARMER LOAN APPLICATIONS

Lori Beary introduced the following applications for Beginning Farmer loans:

AG 18-092 – Dale Stutzman – Beginning farmer loan of \$224,200 to purchase 80 acres of agricultural land in Iowa County. The loan will have a 4.69% variable interest rate and a loan length of 30 years. The index will be 80% of the 5-year Treasury plus 3%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 18-093 – Brock and Danniele Anderson – Beginning farmer loan of \$95,000 to purchase approximately 28.7 acres of agricultural land in Calhoun County. The loan will have a 4.56% interest rate and a loan length of 30 years. The index will be 1% below Security Savings Bank current real estate rate. The lender is Security Savings Bank in Farnhamville, Iowa.

AG 18-094 – Jeremy and Katelyn Maass – Beginning farmer loan of \$254,012. to purchase approximately 145.15 acres of agricultural land and outbuildings in Ringgold County. The loan will have a 4.75% variable interest rate and a loan length of 25 years. The index will be US Treasury 3-year rate plus 1.91%. The lender is City State Bank in Mount Ayr, Iowa.

AG 18-095 – Knutson and Amanda Severson – Beginning farmer loan of \$175,000 to purchase approximately 40 acres of agricultural land in Wright County. The loan will have a 3.80% variable interest rate and a loan length of 25 years. The index will be 80% of 2.5% over the 5-

year Treasury note with a 2% cap increase for each 5-year adjustment and a 6% lifetime increase cap. The lender is First State Bank in Clarion, Iowa.

AG 18-096 – Vance Van Houweling – Beginning farmer loan of \$143,167.50 to purchase approximately 63 acres of agricultural land in Jasper County. The loan will have a 5.49% variable interest rate and a loan length of 30 years. The index will be 75% of First State Bank's prime rate. The lender is First State Bank - Lynnville in Sully, Iowa.

AG 18-097 – Bradley Skubal – Beginning farmer loan of \$265,000 to purchase approximately 100 acres of agricultural land in Washington County. The loan will have a 4.63% variable interest rate and a loan length of 30 years. The index will be 80% of the 2-year Treasury plus 3%. The lender is Hills Bank & Trust Company in Washington, Iowa.

AG 18-098 – Richard Wetjen – Beginning farmer loan of \$215,500 to purchase approximately 75.84 acres of agricultural land in Iowa County. The loan will have a 4.75% variable interest rate and a loan length of 20 years. The index will be 80% of the 5-year Treasury plus 3%. The lender is Hills Bank & Trust Company in Hills, Iowa.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board 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 December 27, 2018 at 9:13am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:14am.

MOTION

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

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 5 requests, 1 request to reduce the cash rent, 2 requests to transfer asset ownership due to deaths, 1 request to change the terms from a crop share to a flex lease and 1 request to voluntarily terminate the lease.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, 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. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events.

OTHER BUSINESS

Steve Ferguson requested clarification on the policy regarding the amount of land a beginning farmer can lease. He had an application where more than 1,000 acres were being leased but two people were on the lease. The beginning farmer wanted to claim that he was only leasing half the land. The IADD Board confirmed that a beginning farmer is not eligible if he/she leases more than 1,000 acres regardless of how many other people are on the lease.

NEXT IADD BOARD MEETING

The January IADD Board meeting will be Wednesday, January 23, 2019 at 8:30am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the December 27, 2018 meeting of the IADD Board of Directors adjourned at 9:39 am.

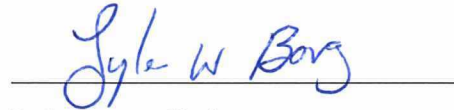
Dated this 23rd day of January, 2019.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board