



Accelerating Rural Opportunities

**FARM & RANCH AGXPRESS<sup>SM</sup>**

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# FAQ

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If you have other questions not addressed within this FAQ, please refer to the **AgXpress Training Package** located within the [Resource Library](#) or contact a Farmer Mac representative for more information.

## APPLICANTS

### What is the citizenship requirement for an AgXpress loan?

At least one applicant must be a United States (U.S.) citizen or a lawfully admitted alien to the U.S. who maintains permanent residence in the U.S., or a corporate entity or partnership whose members, stockholders, or partners holding a majority interest in the corporate entity or partnership are citizens or lawfully admitted aliens.

### What are your title holder requirements for applicants?

All title holders are required to be applicants. Non-title holders may be included in the application.

### Can an application be submitted with only a business entity or trust?

No. Businesses and trusts are eligible, but there must be at least one majority owner who will sign personally on behalf of the business, and an eligible co-borrower, guarantor, or trustee on behalf of the trust.

### Which applicants must sign the application and are e-signatures accepted?

All applicants must sign and date the application, which provides Farmer Mac authorization to pull a consumer and/or commercial credit report. E-signatures are acceptable. Please refer to the **Seller/Service Guide** located in the [Resource Library](#) for e-signature parameters.

### When can an Estoppel Certificate be used?

In cases where a spouse is not a title holder, an **Estoppel Certificate** will be required for the non-signing spouse.

## CREDIT REPORTS

### Who is responsible for pulling the credit report?

Farmer Mac will pull a TransUnion credit report on all AgXpress application submissions. TransUnion is integrated within Farmer Mac's online application, and no other credit bureau's report will be used. You are welcome to pull a report, but Farmer Mac's report will be used for decision-making purposes.

# AGXPRESS

## FAQ (CONTINUED)

If an applicant does not have a credit score, are they eligible to apply for an AgXpress loan?

The loan must have at least one applicant from which we can pull a credit score. If the submitted loan has only a single applicant, that single applicant must be able to produce a credit score for Farmer Mac to be able to issue a credit decision. However, if that single applicant does not have a credit score, the applicant may be eligible to submit the request through another Farmer Mac program.

What if my applicant's credit is frozen?

If your applicant's TransUnion (TU) account is frozen, the applicant should contact TU and request that their account be unfrozen. Then notify Farmer Mac to proceed.

Will Farmer Mac provide me with a copy of the credit report?

Upon request, Farmer Mac will provide a copy of the credit report to you for your records. It will be uploaded to the Documents area within the online portal.

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## LOAN PURPOSE

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What is an arm's length transaction?

An arm's length transaction is when the buyers and sellers act in their own self-interest to negotiate the best deal. The parties involved have no pre-existing relationship with each other.

Why am I required to list out the loan details of the loan purchase on the application?

Farmer Mac needs to know where the money is going for the loan request. If a portion will be used to pay off current debt, Farmer Mac needs to know who holds the debt. You should include an itemized list of how cash-out funds will be used.

If the loan is being used to purchase real estate, does Farmer Mac need to know the total purchase price or just the portion of the loan going towards the purchase?

Farmer Mac needs to know the total purchase price of the real estate. You will need to break down the sources that are being utilized to complete the purchase (e.g., cash, gift, additional financing, etc.).

What qualifies as cash-out?

Proceeds from the loan funds that are not applied to an existing obligation or a future obligation that is documented in the loan application would count towards "Cash Out" use of funds. Future obligations can include reasonable closing costs, new construction of agricultural improvements, purchase of land, and other uses as explained in the loan application narrative. Existing obligations can include current debt, maturing debt, bridge financing, and other liabilities documented in the loan application narrative.

For more information, refer to Chapter 202 of the **Seller/Service Guide** located in the [Resource Library](#).

# AGXPRESS

## FAQ (CONTINUED)

### Are there cash-out limitations?

Cash-out parameters are listed in the **AgXpress Training Package** and **Eligibility Guide**. Please refer to those documents, located in the [Resource Library](#), for the most current requirements.

### Once I've reached the maximum cash out allowed for AgXpress and my aggregate AgXpress exposure reaches \$3 million, can I apply for another AgXpress loan?

No. Once the aggregate exposure for AgXpress transactions reaches \$3 million, the maximum cash out allowed is \$1 million. However, there are no cash-out limitations if the aggregate AgXpress exposure is less than \$3 million (including the current loan request).

## COLLATERAL

### Are permanent plantings allowed?

Refer to the **AgXpress Training Package** or **Eligibility Guide** for restrictions on permanent plantings.

### What are permanent plantings?

Permanent plantings (crops) are produced from plants that typically have a lifespan of greater than 10 years, rather than being replanted after each harvest. Common examples include fruits and nuts such as wine grapes, pistachios, citrus and avocados.

### Is timber ground eligible to be used in the calculation of LTV?

If the timber is harvestable, you may only include the value of the bare land the timber sits on.

### What is the difference between harvestable timber and wooded acres?

Timber is considered harvestable when there is a certain amount of planning that goes into cutting the trees, processing, sorting and loading, and transporting materials with plans for reforestation, which results in the timber having significant value. This value cannot be included in calculating LTV.

### The collateral is irrigated. Are there any special requirements?

Yes. Please have the applicant complete the **Agricultural Water Supply Questionnaire (Form 1020)** and provide it to the appraiser prior to the start of the appraisal. This form is located within the [Resource Library](#).

## CREDIT DECISIONS

### How will I be notified of a credit approval?

An automated email is sent upon approval, directing you to access the Preliminary Credit Approval Notice from the Documents tab of the loan record.

# AGXPRESS

## FAQ (CONTINUED)

### How are denials handled?

Farmer Mac will contact you via Chatter. An automated email will be sent with detailed instructions on the activities you are required to complete regarding distribution and acknowledgment of the Adverse Action Notice (AAN).

### Who prepares the Adverse Action Notice (AAN)?

Farmer Mac will generate the AAN for each applicant. It will be available for download on the Documents tab of the loan record within the Adverse Action placeholder.

### Who delivers the AAN to the applicant(s)?

You download and deliver the AAN to each applicant. Then you must enter the date it was delivered to each applicant within the Adverse Action Notice placeholder on the Documents tab.

### If the applicant is approved through another program, does an AAN still have to be issued?

Yes. An AAN must be issued on all declined AgXpress applications. After 90 days, the applicant(s) may reapply for AgXpress if the applicant(s) has improved or corrected the reasons for denial as noted in the Adverse Action Notice.

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## CLOSING & PURCHASE

### I have an estimated closing date. What do I do next?

Coordinate closing activities with your assigned Central Servicer to be sure nothing will prevent you from closing the loan. Once ready, access the Purchase Request page by clicking the “Complete Purchase Request” button at the top of the Documents tab of the loan record.

Refer to the **Purchase Request Guide** in the [Resource Library](#) for more detail.

### How will I know if the purchase request was successful?

Once you submit the Purchase Request, your Central Servicer will review the information to be sure it is accurate and complete. If everything is in order, they will confirm the request, and Farmer Mac will be notified. Once the wire is disbursed, the status on the loan record will update to “Funds Released.”

### Can I request a same day purchase?

No. To ensure funds are ready for disbursement, a minimum of two business days prior to the desired purchase date is required. Please visit with your Central Servicer to determine the appropriate amount of time necessary to fulfill all closing activities prior to completing the Purchase Request.