

VAFA & SDDA Financing Programs Overview

	Beginning Farmer Bond	Beginning Farmer Down Payment Guaranty	Agribusiness Bond	Livestock Nutrient Mgmt Bond	Value-Added Agribusiness Relending Loan Program	VALU Livestock Guaranty	Livestock Loan Participation	Rural Development Ag Loan Participation	Bridge Loan
Age	At least 18 years old. No upper age limit.	At least 18 years old. No upper age	At least 18 years old. No upper age limit.	At least 18 years old. No upper age limit.	At least 18 years old. No upper age limit.	At least 18 years old. No	At least 18 years old. No	At least 18 years old. No upper age limit.	At least 18 years old. No upper age
Eligible projects	Land, machinery, equipment, breeding livestock or farm improvements.	Ag Real Estate and participation in Beginning Farmer Bond	Business involved in processing an agricultural commodity; land, buildings, improvements, and	Any costs incurred for property, or any portion thereof used for the collection, storage, treatment, utilization, processing or final disposal of livestock wastes (nutrients) up to the point	Businesses involved in processing an agricultural commodity; land, buildings (new, modernization, enlargement), equipment, start-up costs and working capital, feasibility	Feeder Livestock	Livestock	Land, buildings and facilities; machinery and equipment. Value added ag production or processing ventures.	Real Estate Purchases and applicants already approved by USDA Farm Service Agency
Maximum Amount of Loan/ Bond/ Guaranty	\$517,700	20% of Beginning Farmer Bond amount / 5 years	\$10,000,000	No limit	\$150,000	\$100,000	\$200,000	\$500,000	\$300,000
Land Ownership	Can't own more than 30% of county's median farm size now or previously.	Can't own more than 30% of county's median farm size now or previ-	No restriction	No restriction	No restriction	No restriction	No restriction	No restriction	No restriction
Income	No restriction	No restriction	No restriction	No restriction	No restriction	Must have 60% of gross income	Must have 60% of gross income	Must have 60% of gross income from agriculture	No restriction
Net Worth Requirement	Under \$400,000	Under \$400,000	None	None	None	None	None	None	None
Application Fee	\$100	None	\$200	\$200	\$200	None	None	None	None
Closing Fee	1.5% of VAFA bond amount. (\$500 minimum)	None	1.5% of VAFA bond amount on first \$500,000, 1.25% on next \$500,000, 1.00% on next \$1 M and .75% on any amount		1% of the loan amount	None	None	None	1% of the loan amount
Application Deadline	One week prior to VAFA meeting—the VAFA usually meets the last Thursday of every month.	Anytime	One week prior to VAFA meeting—the VAFA usually meets the last Thursday of every month		30 days prior to VAFA meeting	Anytime	Anytime	Anytime	Anytime

Agricultural Lenders are required to request mediation if a borrower has \$50,000 or more in debt before taking legal action. Voluntary mediation is available for all agricultural credit.

Confidential financial counseling is available to mediation clients. For more information, please contact the South Dakota Department of Agriculture at 605-773-5436