South Dakota Department of Agriculture
Division of Agricultural Development
523 East Capitol Avenue | Pierre, SD 57501
PH: 605.773.5436 | FAX: 605.773.3481 | http://sdda.sd.gov

BRIDGE LOAN PROGRAM

The South Dakota Department of Agriculture is pleased to announce the Bridge Loan program. Bridge Loans are available for FSA approved borrowers to finance land purchases when funds are not readily available at FSA.

To be eligible, borrowers must be approved for FSA financing using the farm ownership program.

Bridge Loans are limited to the FSA approved amount.

Approved FSA borrowers may wish to proceed with farm real estate purchases immediately instead of waiting for FSA funds to be available. With the Bridge Loan program, the SDDA can finance the FSA portion for qualifying farmers so they can continue the land ownership process. It is estimated that a Bridge Loan will be paid off in as little as 3-9 months.

Bridge Loans are structured for interest-only payments while the Bridge Loan is in place. The current interest rate is 4%. Once funds are available at FSA, the Bridge Loan is paid off with FSA funds and any interest accrued is paid by the borrower.

There is a fee of 1% imposed on the borrower at the time of closing. Title, filing, and closing fees are paid by the borrower.

NOTE: If, for any reason, FSA is not able to fund the loan after one year, SDDA may extend the Bridge Loan if necessary. The Bridge Loan may also be extended and termed-out for an additional ten years if FSA, for any reason, declines to permanently fund the project.

For more information on the Bridge Loan program, please contact the S. D. Department of Agriculture, Division of Agricultural Development at 605.773.5436 or by email: Terri LaBrie, Finance Administrator, terri.labrie@state.sd.us.