BND
Bank of North Dakota

FIRST TIME FARMER FINANCE PROGRAM APPLICATION

BANK OF NORTH DAKOTA
LENDING-AG/COMMERCIAL
SFN 58287 (7-2013)

Clear Fields

For NDFFA use only

Application Approved	
Amount Approved	
Project Number	
$100 Fee Rec'd	

(To be completed by the applicant - print or type all information)

Note: APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE FINAL LOAN APPROVAL. If prior to closing, it is discovered that the Project, in whole or in part, is ineligible for tax-exempt financing, or if the Project should become ineligible, the NDFFA may refuse to complete loan processing or reduce the loan amount.

1. Type of Application: (Check one) ☐ Bank Loan ☐ Contract Sale ☐ Individual Investor Loan

2. Name of Applicant	Spouse		
Address	City	State	ZIP Code
Telephone Number	Age (For Statistical Purposes)		
3. Bond Purchaser (bank, contract seller or individual investor)			
Contact Person	Telephone Number		
Address	Fax Number		
City	State	ZIP Code	E-mail Address

4. Purpose of Project (Check and describe how project proceeds are to be used)

☐ **Purchased Land*** * (If purchased land includes a dwelling, appraisal must be submitted)	Total Acres	Tillable Acres	CRP Acres
	Estimated Value of House **(A dwelling and CRP acres may limit eligibility)**		
	Estimated value of out-buildings		
☐ **Purchase Machinery**			
☐ **Purchase Livestock**	(what and how many)		
☐ **Construction of buildings or other farm improvements**	Describe		
	Who owns property where improvements are to be made?		
	If constructing livestock buildings, who will own the animals in building? **(if applicant will not own livestock, send copy of feeding contract)**		

5. Financing of Project (contributions by applicant, lender or contract seller and NDFFA):

	Land Purchase	Livestock Purchase	Machinery Purchase	Farm Improvements	Total Project
Down payment by applicant					
Financed by lender/ contract seller-NDFFA Bond					
Other sources					
TOTAL COST OF PROJECT					

6. Location of Project:

List the county and township, range and section: (Example - T140, R80, section 26: S1/2, Any County, ND)

Location by road from nearest town: (Example - 4 miles north of Any town, ND on State Highway 14) Road must be identified, unless they are unmarked gravel roads, then state as such.

If the project consists of the construction or acquisition of buildings, structures or other immovable property (including remodeling of or additions to existing structures), will the First Time Farmer be the sole owner of the land on which the project will be located?

☐ Yes ☐ No If NO, will applicant have a long-term lease for the length of the loan? ☐ Yes ☐ No

7. Seller of Property

Name			Telephone Number
Address	City	State	ZIP Code

Note: Contract sales are not allowed between the First Time Farmer and their grandparents, parents, children or siblings. Loans are permitted to finance purchase from these relatives, but NDFFA Fair Market Value, certificate and related person certificate must be completed.

Please indicate if you are acquiring the "Project" from a related person: ☐ Yes ☐ No

If YES, please explain the relationship.

Note: Any payments (including down payment) made more than 60 days prior to approval of the application will not be eligible for bond financing.

Please explain if you have begun to acquire or construct any part of the "Project" for which you are requesting a loan; if you have entered into any contract or purchase agreement (installment or otherwise) in connection with the construction or acquisition of the "Project", or have begun off-site fabrication or acquisition of any portion of the "Project".

8. Previous Tax-Exempt Financed Projects

Have you, your spouse, minor children or any related person received tax-exempt financing of any kind in any state?

☐ Yes ☐ No If YES, please explain.

PROPOSED LOAN TERMS FOR NDFFA BOND

(Complete question 9-11 with your lender, contract seller or individual investor.)

9. Current personal financial statement (not more than 60 days old) for the First Time Farmer, and spouse is enclosed:

☐ Yes ☐ No **If No, please attach a copy of the financial statement which is required for all applicants, including partnerships.**

Net worth of First Time Farmer (including spouse):

10. Application fee ($100) submitted: ☐ Yes ☐ No

11. Proposed loan or contract sale terms

a. Tax-exempt interest rate: Fixed: _____ percent (%) **OR** Variable: _____ percent (%)

If variable rate, indicate index used: (Example - Bank's prime rate plus 2%, such prime rate 11% to be adjusted semi-annually)

b. Loan term: _____ years. **Note: Balloon will automatically end tax exemption - See Program Summary.**

Repayment: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually ☐ Other (specify below)

Payment Amount	Does this amount include interest? ☐ Yes ☐ No	First payment due date

12. Previous and Present Land Owned

a. Have you, your spouse, or minor children ever directly or indirectly owned farmland? ☐ Yes ☐ No
Note: The following are examples of indirect land ownership:

1) ownership of a beneficial interest in a trust which in turn holds land.
2) ownership of shares in a family farm corporation which owns land.
3) a remainder interest in land which is subject to a life estate in another person.

If your answer to 12a is no, skip to question 13. If yes, complete sections b - f below.

b. Describe each parcel of land presently or previously owned by county location, size, and time period owned (if the ownership is indirect, also describe the means of ownership and the total amount owned - e.g. "I have one-fourth beneficial interest in a trust; the trust holds a total of 200 acres"):

c. Have you, your spouse, or minor children done any of the following:

1) performed physical work on the land? ☐ Yes ☐ No
2) participated in management decisions about operations on the land? ☐ Yes ☐ No
3) provided regular advice and consultation on the business operations on the land? ☐ Yes ☐ No
4) regularly inspected production activities on the land? ☐ Yes ☐ No
5) directly or indirectly advanced funds or paid a substantial portion of the operating expenses for operations on the land? ☐ Yes ☐ No
6) lived on the land? ☐ Yes ☐ No

d. Please describe the degree of your involvement in each activity, the frequency of your involvement, and the length of time over which your involvement occurred (Use additional sheets if necessary):

e. Have you, your spouse or minor children disposed of any of the parcels of land? ☐ Yes ☐ No
If YES, identify the parcel(s) and the approximate date disposed of:

f. Did you, your spouse or minor children recognize income, for Federal Income purpose, as the result of cancellation of indebtedness with respect to any of the parcels disposed of? ☐ Yes ☐ No
If YES, identify the parcel(s) with respect to which income was recognized:

13. Management and Labor of Project

This Project Provided by:

a. Will any portion of the Project be used in any new or existing farm partnership, farm corporation, limited liability company or other formal or informal joint farming venture, including contract feeding arrangement? ☐ Yes ☐ No
If YES, please describe:

b. Please explain what your farming operation will consist of and include the new project.

Crop acres on owned land:

Crop acres on cash rented land:

Crop acres on crop-share rented land:

Owned livestock operation:

Contract-feeding livestock operation:

Other farm operations:

CERTIFICATIONS OF APPLICANT

(To be completed by first time farmer applicant(s))

In submitting this Application, I, the undersigned First Time Farmer, have read the following state and hereby certify and agree that:

1. I will be a permanent resident of the state of North Dakota at the time of bond issuance. ☐ True ☐ False

2. The Project shall be used only for farming by myself, my spouse, and/or minor children. ☐ True ☐ False

3. None of the proceeds of the loans shall be used for the refinancing or restructuring of any existing indebtedness in whole or in part, working capital, operating purposes or for inventory or supplies for the First Time Farmer or any related person. ☐ True ☐ False

4. I agree the loan may not be assumed by another person without NDFFA's prior approval and then only if the purchaser of the property is an eligible applicant for a NDFFA loan. I presently plan to retain the property financed by the loan for the term of the loan; however, I understand equipment and other depreciable property may be exchanged or traded in on similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the Lender without prior approval of the NDFFA. I also understand that the benefits of the loan, made at the tax-exempt rate from the proceeds of a NDFFA bond, must be retained by myself, and no person to whom property is traded or otherwise transferred may obtain the benefits of the NDFFA loan. ☐ True ☐ False

5. I understand and agree that I am responsible for submitting a $100 application fee with this application and a loan closing fee equal to one (1%) percent of the principal amount ($500 minimum) of the loan to the NDFFA at the time of loan closing; such fees will be used for expenses of administering the First Time Farmer Bond Program. ☐ True ☐ False

6. I understand that before the loan can be finalized,a public hearing on the proposal to make this loan must be held by the NDFFA and I hereby consent to publication of a notice of such hearing in a regional newspaper of general circulation in the county in which the project is located. ☐ True ☐ False

All of the information I have provided in the application is true and complete. Also, I understand this application and any of the documents prepared or submitted in connection with it or the loan referred to hereon are "public records" and are subject to examination, copying, publication or other dissemination by any person.

Signature of First Time Farmer	Date
Signature of First Time Farmer	Date

This application cannot be reviewed unless the NDFFA has received all of the following:

☐ $100 application fee

☐ Completed application form signed by both parties

☐ Copy of purchase agreement

☐ Current personal financial statement witnessed by a bank officer and signed by all applicants

☐ Certificates - if sale is from close relative

CERTIFICATIONS OF BOND PURCHASER

(To be completed by Lender, Contract Seller, or Individual Investor)

The undersigned Bond Purchaser has read the following statements and hereby certifies that:

1. All of the proceeds of the bond will be used for the acquisition, construction, reconstruction, equipping and installation of land, or property of a character subject to the allowance for depreciation under Section 167 of the Internal Revenue Code.

2. To the best of the bond purchaser's knowledge, each of the Certifications of the Applicant and all other information with respect to the project or applicant set forth in this application are true and correct.

3. The proceeds of the bond will not be used to provide working capital or finance inventory, supplies or other operating expenses for the applicant or any related person, or be used to refinance or restructure any portion of existing indebtedness.

4. The Bond Purchaser requests the Authority to issue and sell its bond to the Bond Purchaser for the purpose of financing the project to the extent thereof.

Bond Purchaser or Bank Name	
Signature of Bank Official, Contract Seller, or Individual	Date
Print or Type Name and/or Title	

TO BE COMPLETED ONLY IF SELLER IS GRANDPARENT, PARENT OR SIBLING
RELATED PERSON CERTIFICATE

List the Agriculture Land, Agriculture Improvements and/or Depreciable Agricultural Property ("the Project") currently owned by Seller	
Name of First Time Farmer (Sold To)	Amount

The undersigned Seller(s) certifies that they own the Agricultural Land, Agricultural Improvements, and/or depreciable Agricultural property (the "Project"), as described above, which is being sold to the First Time Farmer (as named above) and is being financed with proceeds from an Agricultural Development Revenue Bond to be issued by the North Dakota Farm Finance Agency.

The Seller hereby certifies that the Project is being sold to the First Time Farmer in the amount above, which is its fair market value and subsequent to such sale:

A. If the Project is being operated by a formal or informal partnership or joint venture, the Seller will have no more than a 10 percent interest in such operation.

B. If the Project is being operated by a corporation, the Seller has no more than a 10 percent stock or ownership interest in such corporation.

C. If the Project is being operated by a trust, the Seller has no more than a 10 percent beneficial interest of such trust;

D. The Seller will not be a user of more than 10 percent of the Project; and

E. The Seller will not have any other direct or indirect ownership or use of the Project.

IN WITNESS WHEREOF, we have hereunto set our official signatures on the date below.

SELLER

Print or Type Seller's Name	Print or Type Spouse's Name
Signature of Seller	Signature of Spouse
Date	Date

TO BE COMPLETED ONLY IF SELLER IS GRANDPARENT, PARENT OR SIBLING
FAIR MARKET VALUE CERTIFICATE

Name of Lender	Name of Seller
The undersigned on behalf of the Lender named above, in connection with the sale from the Seller of Agricultural Land, Agricultural Improvements and/or Depreciable Agriculture Property (as identified below):	
Name of "First Time Farmer"	Purchase Price

The "Lender" hereby certifies the above sale to be financed with the proceeds of an Agricultural Development Revenue Bond to be issued by the North Dakota Farm Finance Agency, and hereby certifies that the purchase price being paid by the First Time Farmer to the Seller for the Project and such purchase price is the fair market value of the Project.

Attached hereto is a copy of an appraisal establishing the fair market value of the Project.

IN WITNESS WHEREOF, we have hereunto set our official signatures on the date below.

LENDER

Name of Lender/Bank	Print or Type Name of Loan Officer
Signature of Loan Officer	Title
Date	

List any additional comments below: