



(IFA USE ONLY)

Loan Number \_\_\_\_\_

Application Fee Received \_\_\_\_\_

Loan Amount \_\_\_\_\_

**BEGINNING FARMER CONTRACT BOND APPLICATION**  
**\$100 application fee**  
**For Contract for Deed Purchases**  
*(Please print or type)*

**Part I - REPRESENTATIONS OF APPLICANT(S)**

*(To be completed by Applicant(s) - Please complete all questions)*

<u>Name</u>	<u>Social Security Number</u>	<u>Age</u>
_____	_____	_____
_____	_____	_____

Address: \_\_\_\_\_  
\_\_\_\_\_

How did you hear about the Beginning Farmer Contract Bond Program? \_\_\_\_\_  
\_\_\_\_\_

1. Description of items to be purchased with IFA loan proceeds ("Project"). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Address of farm where project will be located: \_\_\_\_\_  
\_\_\_\_\_

3. County where project will be located: \_\_\_\_\_

4. Seller of project & relationship: \_\_\_\_\_

Seller's relationship to applicant(s): \_\_\_\_\_

5. What type of activity will be conducted with the purchased project? Check all items which apply.

- Grain Farm \_\_\_\_\_
- Dairy Farm \_\_\_\_\_
- Poultry Farm \_\_\_\_\_
- Fur-bearing Animal Farm \_\_\_\_\_
- Truck Farm \_\_\_\_\_
- Stock Farm \_\_\_\_\_
- Range or Ranch \_\_\_\_\_
- Orchard \_\_\_\_\_
- Nursery \_\_\_\_\_
- Greenhouse \_\_\_\_\_
- Other (please describe) \_\_\_\_\_



6. How actively will each applicant participate in the operation of the project purchased?

- Full Time:
- Part Time (7 hours or more per week):
- Very Little (less than 7 hours per week):

7. After the project is purchased, will any part of it be leased to other parties?..... Yes  No

If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_

8. Have you ever had at any time any direct or indirect ownership interest in land? ..... Yes  No   
If yes, please indicate the number of acres in which you had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time you had an ownership interest in it.

Number of acres \_\_\_\_\_  
 County, State \_\_\_\_\_  
 Highest Value \_\_\_\_\_

How actively do or did you participate in the operations conducted on that land?

Full-time \_\_\_\_\_  
 Part-time (7 hours or more per week) \_\_\_\_\_  
 Very little (less than 7 hours per week) \_\_\_\_\_  
 Not at all \_\_\_\_\_

9. If you are married, has your spouse ever had at any time any direct or indirect ownership interest in land? Yes  No  N/A   
If yes, please indicate the number of acres in which your spouse had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time your spouse had an ownership interest in it.

Number of acres \_\_\_\_\_  
 County, State \_\_\_\_\_  
 Highest Value \_\_\_\_\_

How actively does or did your spouse participate in the operations conducted on that land?

Full-time \_\_\_\_\_  
 Part-time (7 hours or more per week) \_\_\_\_\_  
 Very little (less than 7 hours per week) \_\_\_\_\_  
 Not at all \_\_\_\_\_

10. If you have children, has any of them while under the age of 18 had any direct or indirect ownership interest in any land? .....  
..... Yes  No  N/A   
If yes, please indicate the number of acres in which your child had an ownership interest, the county and state in which the land was located, and the highest value of the property during the time your minor child had an ownership interest in it.

Number of acres \_\_\_\_\_  
 County, State \_\_\_\_\_  
 Highest Value \_\_\_\_\_

How actively does or did your minor child participate in the operation conducted on that farmland?

Full-time \_\_\_\_\_  
 Part-time (7 hours or more per week) \_\_\_\_\_  
 Very little (less than 7 hours per week) \_\_\_\_\_  
 Not at all \_\_\_\_\_



11. Will some or all of the IFA loan proceeds be used to purchase land?..... Yes  No   
Number of acres: \_\_\_\_\_
12. Will any of the IFA loan proceeds be used to finance the construction of new improvements to farmland? . Yes  No   
Description of improvements: \_\_\_\_\_  
\_\_\_\_\_
13. Will any of the IFA loan proceeds be used to finance the construction of a new building?..... Yes  No   
Description of building: \_\_\_\_\_  
\_\_\_\_\_
14. Will any of the IFA loan proceeds be used to purchase a building or other structure that has been used by you or someone else prior to purchase? ..... Yes  No   
Description of building: \_\_\_\_\_  
Location of building: \_\_\_\_\_  
Will you be moving the building from its present location? ..... Yes  No   
Will the building be moved onto land which you are purchasing with IFA loan proceeds? ..... Yes  No
15. Will any of the IFA loan proceeds be used to purchase new machinery or equipment? ..... Yes  No   
Description of equipment: \_\_\_\_\_
16. Will any of the IFA loan proceeds be used to purchase machinery or equipment that has been used by you or someone else prior to purchase? ..... Yes  No   
Description of equipment: \_\_\_\_\_  
Is any of the machinery or equipment currently located on the farmland referred to in Question 10? ..... Yes  No   
Is any of the machinery or equipment currently not located on the farmland referred to in Question 10? .... Yes  No   
Will you be using this used machinery or equipment in connection with the operation of the project purchased with IFA loan proceeds? ..... Yes  No   
..... Yes  No
17. Does the project consist in part of a residence? ..... Yes  No
18. Will you be using any of the IFA loan proceeds to purchase fruit-bearing trees or vines? ..... Yes  No   
Will you be using these fruit-bearing trees or vines in connection with the operation of the project that will be purchased with IFA proceeds?..... Yes  No
19. Will you be using any of the IFA loan proceeds to purchase anything other than farmland, improvements, buildings or other structures, machinery or equipment, or fruit-bearing trees or vines? ..... Yes  No   
Description of the property: \_\_\_\_\_



20. Amount of loan request: \$ \_\_\_\_\_

21. Expected date of closing \_\_\_\_\_

22. Allocation of purchase price and IFA loan proceeds among items included in project. Items must be separately identified by category.

<u>Item</u>	<u>Purchase Price</u>	<u>IFA Proceeds</u>
Farmland	_____	_____
New Improvements	_____	_____
New Buildings	_____	_____
Used Buildings	_____	_____
New Equipment	_____	_____
Used Equipment	_____	_____
Residence	_____	_____
Total	_____	_____

**Part II - CERTIFICATION OF APPLICANT(S)**  
*(To be completed by Applicant(s) - Please complete all questions)*

In submitting this application, I, the undersigned Applicant, have read the following statements and hereby certify and agree that:

- I am or will be a permanent resident of the State of Illinois at the time of bond issuance..... True  False
- The project will be located within the State of Illinois ..... True  False
- I will be the principal operator of the project..... True  False
- I am purchasing the project as an individual, not as a partnership, corporation or any other legal entity. I also will operate the project as an individual, not as a partnership, corporation or any other legal entity..... True  False
- I have previously received tax exempt financing from a governmental entity or authority (describe the project, name of borrower, and amount of prior loan, or indicate none). This item must be completed.

\_\_\_\_\_

\_\_\_\_\_

- Persons who are Related Persons to me, as described below, have previously received tax exempt financing from a governmental entity or authority (describe the project, name of borrower, and amount of prior loan, or indicate none). "Related Persons," as defined in Section 144(a)(3) of the Internal Revenue Code includes, among others, a father, mother, brother, sister, grandparent, grandchild or spouse, a partnership or corporation in which the Applicant(s) or any of the foregoing relatives has more than a 50% interest, a partnership and each of its partners, and an S corporation and each of its shareholders (and their spouses and minor children). This question must be answered:

\_\_\_\_\_

\_\_\_\_\_



- 7. None of the proceeds of the loan shall be used, in whole or in part, for working capital (including but not limited to, proceeds used to finance inventory or supplies such as feed, fertilizer, fuel, feeder cattle, pigs and lambs)..... True  False
- 8. My net worth and that of my spouse and children, if any, is less than \$500,000. My personal financial statement and that of my spouse and children, if any, submitted in connection with this Application are true, correct and complete True  False
- 9. I have or will have access to adequate working capital, farm equipment, machinery or livestock..... True  False
- 10. I agree that the loan may not be assumed by another person without the prior approval of the IFA, and then only if the purchaser of the property is an eligible applicant for an IFA loan. I plan to retain the property financed by the loan for the term of the loan. I also understand the benefits of the loan resulting from the exemption from Federal income taxation of interest on the IFA bond must be retained by myself, and no person to whom property is traded or otherwise transferred may obtain the benefits of the IFA loan..... True  False
- 11. I have prepared and delivered this Application in order to apply for a loan from the Authority, such loan to be funded with the proceeds of the Authority's bond, if and when issued by the Authority ..... True  False
- 12. I have not commenced acquisition or construction of any part of the project to be financed with the proceeds of the loan and I have not entered into any contract or purchase agreement, installment or otherwise, in connection with (i) the construction or acquisition of the project or any part thereof of the project, or (ii) the off-site fabrication or acquisition of any part of the project ..... True  False

If false, please explain: \_\_\_\_\_  
 \_\_\_\_\_

- 13. If the project is being acquired directly or indirectly from a Related Party, the purchase price equals the fair market value of the project, and I have provided documentation to IFA of this..... True  False  N/A
- 14. If the project is being acquired directly or indirectly from a Related Party, the seller will have no continuing financial interest in the project and will not be a principal user of the project, and will have no other direct or indirect ownership or use of the project ..... True  False  N/A
- 15. No Board member or employee of the Authority is employed by, holds any official relation to, or has any financial interest in the Applicant(s) ..... True  False
- 16. I will not use any of the IFA loan proceeds to purchase any interest in real estate, including any interest in a land trust, from a member of the Board or employee of the Authority ..... True  False
- 17. I understand that any property purchased with IFA loan proceeds must be depreciated for Federal income tax purposes on a straight-line basis ..... True  False
- 18. I understand that IFA will charge a 1.5% closing fee with this loan and that my Seller may also charge a closing fee of up to 0.5% ..... True  False
- 19. All representations and certifications of the Applicant(s) contained in this Application are true, correct and accurate ..... True  False

\_\_\_\_\_  
 (Applicant's signature) (Date)

\_\_\_\_\_  
 (Applicant's signature) (Date)

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_



**Part III - REPRESENTATIONS OF CONTRACT SELLER** (To be completed by Contract Seller)

- 1. Purchase price of project: \$ \_\_\_\_\_
- 2. Value of residence and any buildings, such as garage, related to residence (if N/A, please indicate): \_\_\_\_\_  
\_\_\_\_\_
- 3. Personal financial statements for applicant(s) received:..... Yes  No   
Net worth of applicant(s) is: \$ \_\_\_\_\_

**Part IV - CERTIFICATION OF SELLER** (To be completed by Contract Seller)

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

- 1. The applicants are "Beginning Farmers" as defined in Ill. Admin. Code Part 1400 Article XIV, as amended.
- 2. The net worth of the applicants, their spouses, and children under the age of 18 in the best judgement of the Seller on the date hereof is less than \$500,000 as shown by the personal financial statement of the applicants.
- 3. The applicants have documented to the satisfaction of the Seller that they have sufficient education, training and experience for the anticipated farming operation.
- 4. To the best of the Contract Seller's knowledge, each of the certifications of the applicants set forth in this application is true and correct.
- 5. The proceeds of the loan will not be used to provide working capital, including but not limited to, proceeds used to finance inventory or supplies such as feed, seed, fertilizer, fuel, feeder cattle, pigs and lambs.
- 6. The Contract Seller requests the Authority to issue and sell its bond to the Seller for the purpose of financing the project to the extent thereof.
- 7. The Contract Seller may proceed with the transaction with the applicants or related person in connection with the project prior to the IFA Board of Director approval of the applicant's project. However, the Seller acknowledges that the application must be approved by the IFA Board of Directors within sixty days of the commencement of acquisition of the project by the applicants or by any related person. Commencement of acquisition includes commencement of acquisition or construction of any part of the project to be financed with the proceeds of the loan; any contract or purchase agreement, installment or otherwise, in connection with (i) the acquisition or construction of the project or any part thereof, or (ii) the off-site fabrication or acquisition of any part of the project; and payment of any money by the applicants for down payment or earnest money. The Seller further acknowledges that the IFA Board of Directors meets the second Tuesday of every month and that the application must be received in the Authority office in sufficient time for review prior to a Board meeting.
- 8. No member of the Board of the Authority is an officer, director or holder of a substantial property interest in the undersigned Contract Seller.
- 9. The Contract Bond transaction shall not close until so authorized by IFA.
- 10. I, the Contract Seller, fully understand the tax treatment under this program and have obtained sufficient professional assistance regarding the tax treatment of an IFA Beginning Farmer Contract Bond.
- 11. I, the Contract Seller will charge no fees or points, except any actual costs associated with closing.

Seller: \_\_\_\_\_ Contact Name: \_\_\_\_\_  
 Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
 \_\_\_\_\_ Signature: \_\_\_\_\_  
 County: \_\_\_\_\_ E-mail: \_\_\_\_\_



**Part V - SUMMARY OF LOAN TERMS** (To be completed by Contract Seller)

Interest Rate

- Interest rate calculation is ..... Simple  Compound   
 If calculation is compound, how often will interest be compounded? \_\_\_\_\_
- Interest rate is ..... Fixed  Variable   
 If rate is fixed, the rate will be \_\_\_\_\_  
 If rate is variable, the rate at the date of closing will be \_\_\_\_\_  
 If rate is variable, how long will the initial rate remain in effect? \_\_\_\_\_  
 If rate is variable, how often will the rate be adjusted? \_\_\_\_\_  
 If rate is variable, to what index will the rate be tied and how will the rate be tied to that index (e.g. 1.00% below prime per The Wall Street Journal)? The index must be external to the bank and its holding company, if applicable, and must be published in a publication generally available to the public. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Payment Provisions

- Term of loan in years \_\_\_\_\_
- Frequency of payments:
 

	Principal	Interest
Annual	_____	_____
Semi-Annual	_____	_____
Quarterly	_____	_____
Monthly	_____	_____
- First payment date if payment dates will not be tied to closing date \_\_\_\_\_
- Payment structure (Please Note: If a bond loan balloons it may not be extended. If you are requesting a balloon just to adjust the interest rate, please indicate a variable rate above and no balloon. If you want to have the option of calling the loan at any time interval after five years, please answer yes to the call option below and indicate no balloon).
 

\_\_\_\_\_ Amortized principal and interest payments for equal payments for the life of the loan (use this only if the interest rate is fixed).

Amortization period, number of years \_\_\_\_\_

Balloon? Yes  at the end of \_\_\_\_\_ years No

Amount of each payment \$ \_\_\_\_\_

\_\_\_\_\_ Amortized principal payments plus accrued interest (use this only if interest is variable). Please include an amortization schedule if you want yours used.

Amortization period, number of years \_\_\_\_\_

Balloon? Yes  at the end of \_\_\_\_\_ years No

\_\_\_\_\_ Equal principal payments plus accrued interest

Amount of each principal payment \$ \_\_\_\_\_

Balloon? Yes  at the end of \_\_\_\_\_ years No



5. Loan to contain call feature at Seller's option at any time after five years? ..... Yes  No

If yes, explain when call option may initially be exercised and at what intervals thereafter: \_\_\_\_\_

\_\_\_\_\_

Public Hearing Notice Information - Location of Farm

County \_\_\_\_\_

Township \_\_\_\_\_

For projects including farmland or improvements, driving directions from the nearest edge of the nearest town, including names or numbers of all roads. For projects with equipment only, no driving directions are necessary. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Thank you for completing the Beginning Farmer Contract Bond application. Please mail the application to the address below or you may submit the application electronically through our website. All applications may be printed from our website if you need additional forms. IFA Board meetings are usually scheduled for the third Tuesday of each month. Please try to submit your application before the end of the first week of the month to ensure time for us to review. If you have any questions regarding the application process, financial records, appraisals, or other loan terms and conditions, please call us at the number below.

**Have you determined?**

- The amount of the loan
- The number of years for the loan
- The interest rate for the loan.
- The interest rate index (if applicable)
- The collateral for the loan

**Have you enclosed?**

**Application**

- Application Part I - II - Applicant's section pages 1 through 5**
- Application Part III - V - Lender's section pages 6 through 8**
- \$100 Application Fee**

The Illinois Finance Authority is an independent, self-funded state authority offering a variety of loan programs mutually beneficial to farmers and lenders. Contact us at the number below for more information on the Beginning Farmer Bond Program, Beginning Farmer Contract Bond Program, Debt Restructuring Loan Guarantee Program, Young Farmer Guarantee Program, Specialized Livestock Guarantee Program, Agri-Industries Loan Guarantee Program, and/or the Value-Added Stock Purchase Loan Guarantee Program.

***Serving Illinois Agriculture One Family at a Time Since 1982***

**Offices of the Illinois Finance Authority**

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Mt. Vernon	2929 Broadway, Suite 7B, Mt. Vernon, IL 62864	618.244.2424	618.244.2433 fax
Peoria	100 S. W. Water St., Peoria, IL 61602	309.495.5959	309.676.7534 fax
Springfield	620 E. Adams St., Third Floor, Springfield, IL 62701	217.782.5792	217.782.3989 fax

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