

AG NEW MEXICO FCS LOAN APPLICATION CHECKLIST

INFORMATION NEEDED TO BEGIN APPLICATION PROCESS
(for loan amounts of \$500,000 or less)

All Loans:

- Loan Application (Complete all blanks and sign.)
- Copies of your last 3 income tax returns or earnings statements or pay stubs.
- Authorization Form(s) signed by all applicants
- Copy of all applicants' driver's licenses.

Additional information for Real Estate Loans:

- Ag New Mexico FCS Environmental Questionnaire to be completed and signed
- Legal description of property offered as security (field notes.) If available, furnish a Surveyor's Plat and Aerial Photo(s).
- Copy of executed Earnest Money Contract if this loan application applies toward the purchase of real estate.

Additional information may be needed to supplement the above.

As Of:
Maturity Date:
Loan Number:



New ()
Renewal ()
Repeat ()
FLCA ()
PCA ()

CUSTOMER INFORMATION	Applicant	Co-Applicant
Name		
Social Security #		
Date of Birth		
Address		
Phone Number		
City		
State		
Zip Code		
Primary Farm Product		
Location of Operation (County)		
Years as Owner		
Prior Experience		
Year Began Farming		
United States Citizen?		
Ever filed Bankruptcy?		
Contingent Liabilities?		
Any Judgements against you?		
Are you party to a lawsuit?		
Acct./Tax preparer (name, add., ph.)		

Maximum Loan Size \$500,000.00

LOAN INFORMATION

(If >\$100,000.00 - include itemized verifiable balance sheet & income tax return)

Purpose	Amount
	\$ -
	\$ -
	\$ -
B-Stock	\$ -
Loan Processing Fee	\$ 100.00
Total	\$ 100.00

Loan Type

() Operating
() Intermediate
() Mortgage
() RLOC or () MOB

Credit Life Insurance () Yes (XX) No

Projected Repayment

Quantity	Description	Weight/Yield	Price Per Unit	Date	Amount
					\$ -
					\$ -
					\$ -
Total					\$ -

Collateral Description

Description	Number	Value	Total
			\$ -
			\$ -
			\$ -
Total			\$ -

FINANCIAL AND INCOME INFORMATION (before closing basis)

Checking Accounts (DDA Balance) (1)	\$ -	Total Current Liabilities (6)	\$ -
Other Cash Equivalents (2)	\$ -	Other Liabilities (7)	\$ -
Other Current Assets (3)	\$ -	Total Liabilities	\$ -
Current Assets (4)	\$ -	Net Worth (8)	\$ -
All Other Assets (5)	\$ -	Total Monthly Income (9)	\$ -
Total Assets	\$ -	Earnings before interest and taxes (10)	\$ -
Gross Farm Income	\$ -	Annual Interest Expense (11)	\$ -

**AG NEW MEXICO FCS, ACA
AgFast LOAN APPLICATION**

The undersigned (hereinafter "Applicants") agree as follows:

1. Applicants acknowledge that this loan application is being accepted on behalf of Ag New Mexico FCS, ACA. Applicant authorizes Association to obtain such credit reports, employment and income verification, or any other information relating to Applicant's financial position as the Association may require in connection with this loan application, and any and all future renewals and extensions of any loan resulting from this application, and hereby instruct any credit reporting agency or other person or firm to provide such credit reports or other information requested by the Association for such puposes. A FAX transmission of this authorization may be used in lieu of the original signatures.
2. Applicants understand that Lender shall not be responsible for any representation, guarantee, or warranty made by the manufacturer, distributor, Company, or any other party in connection with the item purchases, nor shall Lender be liable for any breach thereof.
3. Applicants understand that a portion of the loan funds will be used to purchase Association B stock.
4. Applicants certify that the information provided is true and correct to the best of their knowledge and belief.
5. NOTE: Pursuant to 18 USCA 1014, it is a crime to knowingly make a false statement or report or to willfully overvalue any land, property or security in connection with this loan application. By execution hereof I (we) acknowledge I (we) have completed and reviewed all of the application.
6. By signing below, Applicants acknowledge receipt of a copy thereof.
7. We (I) understand our right to choose an insurance agent and/or carrier; Borrower understands that any equipment or vehicles purchsed with loan funds will be covered with property, casualty and liability insurance with Lender listed as Loss Payee.

Item(s) purchased: _____

Date : _____

Applicant: _____ Co-Applicant: _____
0 0

For Company Use Only	
Accepted)	
Declined)- By: _____	Date: _____
Conditions:	
Company: _____ Phone #: _____ FAX #: _____	

DEFINITIONS (all on "pre-closing" basis)

1. DDA Balance (Checking Accounts)- funds currently in checking accounts and Ag New Mexico ACP Accounts, including cash on hand.
2. Other Cash Equivalents- all other cash accounts not included in #1. Savings accounts, Certificates of Deposit, Money Market Accounts, Publicly traded Stocks and Bonds, cash value of life insurance (net of any loans)
3. Other Current Assets- all other liquid assets, not included above. Livestock, feed, harvested crops, accounts receivable, etc.
4. Current Assets- total of #1, #2, #3 above.
5. All Other Assets- all other assets owned by applicants that are not included above. Vehicles, equipment, real estate, retirement accounts, investments, other business interests, etc.
6. Total Current Liabilities- Total obligations of the applicants that must be paid within the next 12 months. Accounts payable, credit cards, current year's portion of long term debt, operating loans, etc.
7. Other Liabilities- All other legal obligations of applicants, not already included in #7 above. Home Loans, vehicle loans, real estate loans, investment loans, etc.
8. Net Worth- Subtract total liabilities (#7) from total assets.
9. Total Monthly Income- Combined monthly of applicants from all sources, defined as net business income, salaries, wages, dividends, royalties, etc. (on farmer/rancher-total net income/12) do not add back interest and depreciation.
10. Earnings Before Interest and Taxes- Either (1) net profit plus annual interest expense, or (2) gross profit minus expenses (selling and general administrative expenses, capitalize depreciation, depletion, compensation (of owners, officers and/or directors)).
11. Annual Interest Expense- amount of the total interest paid, on an annual basis, on obligations.

Years As Owner- Years the applicant(s) have owned the current business, or if a professional (doctor, lawyer, etc.), the number of years in practice.

This element was previously derived from the the field Year Began Farming. It is being seperated so that we can better reflect the Years as Owner for scoring while not impacting the Year Began Farming being captured for YBS purposes.

Years as owner is an important factor in the scorecard metrics according to Fair Isaac. It is intended to be the time the applicant has owned the business being financed. This may be interpreted by the users in a number of ways, and associations should develop their own guidelines for completing this data element.

Some considerations might include;

- For some applicants that are full time ag or aquatic producers, use the length of they have been in operation.
- For applicants that have other jobs & have part-time ag or aquatic operations, use length of time they have had part-time operation.
- For applicants that have other jobs & are just starting a part-time ag or aquatic operation, the years as owner should be zero.
- For applicants that own another type of business which is the source of significant personal income, use the length of time they have operated such businesses.
- For professionals such as doctors or attorneys that are in practice for themselves as a partner or in a firm, the length of time they have been practicing and generating income as a professional is appropriate.

This list is not all-inclusive and is intended to provide considerations for the establishing guidelines. It is not intended, however, to be a substitute for the applicants length of employment

AUTHORIZATION FORM

TO WHOM IT MAY CONCERN:

I/We have applied for a loan with the Ag New Mexico FCS (“Association”). I/We authorize the association to obtain credit reports, employment and income verifications, or any other information relating to my/our financial position as the Association may require in connection with this loan application, or any future loan application that I/we may make to the Association, or in connection with the review or collection of any loan resulting therefrom and any and all future renewals and extensions of any loan resulting from any application, and hereby direct any credit reporting agency or other person or firm to provide such credit report or other information to the Association as requested for such purposes.

I/We authorize Ag New Mexico FCS to share any information provided by applicants, other authorized sources or obtained by the association from credit reporting agencies with an affiliate under the same corporate control unless specifically directed in writing not to share this information. This information may be shared with an affiliate in order to make available this or other financial services and products.

A copy of this authorization (being a copy of the signature(s) of the undersigned) may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply will help expedite my transaction.

Thank you.

Date	Signature	Social Security No.
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Date	Signature	Social Security No.
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Date	Entity Name	I.D. No.
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By: _____

Title

Date	Entity Name	I.D. No.
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By: _____

Title

**AG NEW MEXICO FCS
ENVIRONMENTAL QUESTIONNAIRE**

App./Loan # _____

Date _____

Applicant/Borrower _____

Number years owned this property _____

Current Owner (If Different) _____

Number years owned this property _____

Previous Owner _____

Number years owned this property _____

Description of Security (brief description giving area, location, size, etc.)

1. Have you received notice from any governmental authority concerning any toxic or hazardous material on the property? YES _____ NO _____ If yes, explain _____

2. Is the property or any adjacent property on any Federal, State or Local Hazardous waste list or record? YES _____ NO _____ If yes, explain _____

3. Are there any underground or aboveground storage tanks other than water on the property? YES _____ NO _____ If yes, complete:

Number of tanks _____ Location _____

Size of tanks _____ Material presently stored _____

Past uses _____ Present or past leaks _____

Are tanks in compliance with regulations and permits obtained? _____

4. Are there any open pits, active or abandoned covered dumps, debris or trash piles, abandoned machinery or vehicles on this property? YES _____ NO _____ If yes, explain _____

5. Are there any pesticides, herbicides, chemicals, paint, petroleum products, hazardous materials or empty containers stored on or disposed of on the property? YES _____ NO _____ If yes, explain _____

6. Is a custom chemical application business being operated or has one previously been operated on this property? YES _____ NO _____ If yes, explain _____

7. Is there or has there been an oil, gas or chemical pipeline crossing this property? YES _____ NO _____

If yes, complete: Pipeline Company _____

Material transported _____

Have there ever been any leaks? YES _____ NO _____ If yes, explain _____

8. Is a livestock operation or livestock facility such as dairy barn, hog farrowing/feeding houses, poultry houses, etc. on this property? YES _____ NO _____ If yes, explain _____

9. Are there any chemical holding ponds or lagoons of any type on this property? YES _____ NO _____
 If yes, explain _____

10. Are there any existing, potential or past environmental hazards which have not previously been addressed? (Ex. - Contaminated wells, past manufacturing or industrial site, asbestos, Radon, PCBs, urea formaldehyde insulation or unexplained features, etc.) YES _____ NO _____ If yes, explain _____

11. In the course of your business, do you use hazardous material requiring licensing? YES _____ NO _____
 If yes, explain if any of these materials have been used or are to be used on this property.

Including yourself, list family members and employers who are licensed pesticide applicators.

_____	_____	_____	_____
NAME	LICENSE #	NAME	LICENSE #

Further explanations:

If space is not sufficient, attach additional sheets to explain.

The undersigned certify(ies) that the foregoing is true and complete to the best of his/her/their knowledge.

_____	_____	_____	_____
NAME	DATE	NAME	DATE

YOUR INVESTMENT IN THE AGRICULTURAL CREDIT ASSOCIATION OR FEDERAL LAND CREDIT ASSOCIATION

As a member, you should be aware that your Federal Land Credit Association or Agricultural Credit Association (association) is part of the System serving local agriculture in the Tenth Farm Credit District through Agricultural Credit Associations (ACAs), Federal Land Credit Associations (FLCAs) and Production Credit Associations (PCAs). The FLCAs originate agricultural mortgage loans directly and make available to their members financially-related services. Since your FLCA or ACA are organized as cooperatives, you invest in the capital stock or participation certificates of the association as a condition to receiving an agricultural loan from the association or to qualify for financially-related services. Borrowers are issued stock in the FLCA, or in its parent ACA, if one exists. Associations in turn invest in the capital of the FCB. This means that only persons eligible to hold stock or participation certificates can borrow from the FLCA and that borrowers are a major source of capital for an association. In addition, that one person who holds stock or participation certificates can qualify for financially-related services. To assist you in understanding how stock and participation certificates work at your association, the most common questions and their answers are listed below. If you have additional questions, please contact your association.

Q. *WHAT IS VOTING STOCK AND WHO CAN BUY IT?*

A. Voting stock is stock required to be purchased as a condition to receiving a loan carrying the right to vote on all matters which stockholders have the right to decide under the Farm Credit Act, Farm Credit Administration regulations or your association's bylaws. Voting stock can be purchased only by farmers, ranchers or producers or harvesters of aquatic products. Following cooperative principles, each member normally has only one vote regardless of the number of shares owned. The only exception is when stockholders authorize the issuance of preferred stock, when each stockholder's vote is weighted according to the number of shares owned. The par value of each share is \$5.00, which is also the purchase price.

Q. *WHAT DOES VOTING STOCK OWNERSHIP GIVE ME?*

A. A holder of voting stock is entitled to nominate and vote in the election of directors to the association's board of directors, to vote to select members of the Nominating Committee, to make motions and second motions at the annual stockholders meeting, to vote on measures brought before the meeting, and to vote on certain other matters relating to corporate governance. In addition, a voting stockholder is generally eligible to serve as a director or as a member of the Nominating Committee.

Q. *WHAT ARE PARTICIPATION CERTIFICATES?*

A. Your association may make rural home loans and certain farm-related business loans. These borrowers are not eligible to hold voting stock but must instead purchase participation certificates as a condition of receiving a loan. In addition, persons who are eligible to borrow may purchase participation certificates in order to qualify for financially-related services. Owners of participation certificates do not have voting rights except when stockholders authorize the issuance of preferred stock and are not eligible to serve on the association's board of directors. In all other respects, stock and participation certificates have the same rights and restrictions.

Q. *WHAT DETERMINES THE AMOUNT OF STOCK I MUST BUY?*

A. The minimum level of stock purchase requirements for loans and financially-related services is determined from time to time by the association board of directors within a range set forth in the association's capitalization bylaws which are subject to the approval of stockholders.

Q. *HOW DO I BUY STOCK?*

A. The money needed to buy the required amount of voting stock or participation certificates can be included in your association loan request. If your loan request includes stock, the promissory note that you sign will include the amount necessary to purchase the required stock or participation certificates. In that case, you will also pay interest on the stock portion of your loan. The total amount of your loan, including stock or participation certificates, must be repaid in full. Under certain circumstances stock or participation certificates may be purchased during the life of the loan. Such purchases may be paid for in cash or by adding the purchase price to your loan. Purchases of stock or participation certificates to qualify for financially-related services shall be paid for in cash.

Q. *IN WHAT FORM IS MY STOCK ISSUED?*

A. Your association issues a receipt for stock and participation certificates at the time they are issued. Ownership of the stock or participation certificates is recorded on the books of the association.

Q. *DOES VOTING STOCK EARN DIVIDENDS OR PATRONAGE REFUNDS?*

A. Ownership of voting stock may make you eligible to receive patronage refunds based on business done with the association or dividends based on the number of shares of voting stock or participation certificates you hold when the association board, at its sole discretion and upon review of the association's financial performance, declares a dividend or patronage distribution.

Q. *DOES STOCK CHANGE IN VALUE?*

- A. The \$5.00 per share par value of your association stock or the \$5.00 face value of your participation certificates does not change, but the book value could increase or decrease depending on the financial condition of your association. Any retirement, however, will be at the lower cost of par value or book value.

Q. *HOW DOES DEFAULT AFFECT MY INVESTMENT?*

- A. The bank and/or the association have a first lien on your stock or certificates as additional collateral for your loan(s) or any other indebtedness to the bank, FLCA, PCA or the FLBA. In the event of a default on the loan(s), all or part of the stock may be applied to the loan(s), or under certain circumstances, may be otherwise disposed of when approved by the lender.

Q. *IS THERE A RISK ASSOCIATED WITH MY STOCK INVESTMENT?*

- A. Yes. Your ownership of stock or participation certificates in an association is an investment that allows you to share in the association's earnings through patronage refunds and/or dividends, but which is also subject to certain risks that could result in a partial or complete loss of the investment. It is not a compensating balance. The ultimate value of the stock is dependent on the future financial performance and condition of the association over time. Therefore, you cannot assume that stock will be redeemed on demand or upon a date certain or upon the happening of any event, such as repayment of the loan (as could be the case if the investment were considered a compensating balance). You are responsible for the full amount of your loan including the amount borrowed to pay for your stock or certificates, regardless of their book value.

Borrowers are advised to review the financial statements of their association, the association's capitalization bylaws and other available information about the Farm Credit System, copies of which are provided herewith and are available from the association upon request.

Q. *WHAT HAPPENS TO THE STOCK IF AN ASSOCIATION IS LIQUIDATED?*

- A. If an association is liquidated, the law prohibits stock retirements until the assets of the association are used to meet liabilities of the association. The assets of the association which remain when the liquidation is completed are all divided on a pro rata basis among current stockholders according to the proportion of stock they own.

Q. *WHAT HAPPENS TO MY STOCK WHEN THE LOAN IS REPAYED?*

- A. Provided that the capital strength of your association permits it and unless used by you to capitalize other indebtedness, your stock may, in the board's sole discretion, be retired and the proceeds repaid to you upon final payment of the indebtedness or upon termination or completion of the financially-related services or at such future date as the board may determine that the association's financial strength permits.

Under the Farm Credit Act of 1971, as amended, Farm Credit Administration regulations and the association's capitalization bylaws, stock may be retired only at the sole discretion of the association's board of directors and not on demand, a date certain, or upon the happening of any event, such as repayment of the loan. The Act and regulations prohibit retirement of stock when the association fails to meet its minimum capital adequacy standard as established by the Farm Credit Administration and the bylaws prohibit retirement when the association does not meet any higher board-established capital adequacy standard. The association board will maintain a capital plan and implement policies and procedures which will allow for the orderly retirement of stock, when requested by a stockholder, in a safe and sound manner consistent with FCA's capital adequacy requirements. In the association's capital plan, a capital adequacy standard will be established by the association board of directors. The board will not approve the retirement of any equities, dividends or payment of patronage distributions in cash in excess of the minimum to qualify the refund as a deductible patronage distribution for federal income tax purposes, unless after the retirement and/or distribution the association would continue to meet its established capital adequacy standards, and in no event will the board retire equities if the minimum permanent capital standard established by the Farm Credit Administration is not met.

Q. *DOES THE ASSOCIATION MEET ITS CAPITAL ADEQUACY STANDARDS?*

- A. As of the date of this disclosure, the association meets or exceeds the minimum permanent capital adequacy standard established by the Farm Credit Administration and the standard set by the association board. The association board of directors knows of no reason that would cause the association to fail to meet the capital standard established by the board or the minimum established by Farm Credit Administration at fiscal year-end. However, as discussed in the annual report, uncertainties exist regarding matters that could have an impact on the association's capital adequacy which the association board cannot determine at this time.