



# IOWA BEGINNING FARMER DEBT RELIEF FUND

## 1. What is the timeline for applications?

The application period will be Aug. 31, 2020, at 8:00 a.m. until all funds have been exhausted.

## 2. Can I submit an application for both the Iowa Livestock Producer Relief Fund and the Iowa Beginning Farmer Debt Relief Fund?

No. In the event an application is submitted to both, assistance will not be granted under either program.

Please carefully consider which program you are applying to as well as if you are applying as an individual or as a member of an entity. Individuals are only eligible to receive assistance through one program and only once as either an individual or member of an agricultural entity. Duplicate applications on behalf of one individual may prohibit assistance.

If an applicant is a member of an agricultural entity, Iowa Finance Authority advises the individual applying on behalf of the entity ensure that any member eligible to submit an individual application has consented to the submission of an application on behalf of the entity.

## 3. Can I submit an application as an individual and as a member to an agricultural entity, such as a Cooperative, Corporation, Limited Liability Company or Partnership?

No. Applications for duplicative assistance as an individual or a member to multiple entities will not be accepted.

## 4. How do you determine whether I'm a beginning farmer?

A beginning farmer is over the age of 18, and a resident of Iowa.

**For an individual**, an aggregate net worth of the beginning farmer, and the beginning farmer's spouse and minor children, including equity of any entity in which any of the family members noted have a financial interest, not greater than \$682,000.

*NOTE: Your lender will be required to submit a financial statement that is less than three months old showing your net worth. A financial statement is also required of any entity, in which the beginning farmer, spouse or minor child(ren) has a financial interest. The equity from the entity will need to be reflected on the personal financial statement.*

**For an entity**, an aggregate net worth of all partners, members, or officers, including their equity in the entity, and their spouse and minor children not greater than \$1,364,000. However, the net worth of *each* partner, member or officer and their spouse and minor children shall not exceed \$682,000.

*NOTE: Your lender will be required to submit a financial statement that is less than three months old showing the entity net worth. A personal financial statement is also required of all partners, members, or officers of the entity, including their spouse or minor children. The personal financial statements will need to abide by the individual requirements above.*

**5. What if I have a lease to own debt service payment?**

Lease payments alone do not qualify; however, a lease to own arrangement would. Input lender information in the lender section and send them a copy of the amortization schedule and contract terms to be inputted during their certification portion.

**6. What if my spouse and I both have outstanding long term-debt service that is separate, can we both apply for the program?**

Unfortunately, no, the award can only be granted once per household. However, if the maximum award is not being utilized with a single loan, the second loan can be added to the same application so your household can utilize the maximum award amount.

**7. What if my lender is having issues accessing the lender verification link that was sent in the email?**

Your lender can forward the "Verification Email" to the Iowa Beginning Farmer Relief Team explaining the issue and new link can be sent out.

**8. Does my rural residence, which includes some ag-related practices, qualify as long-term ag debt for the program?**

The answer depends on how the loan was set up. If the property is financed as a residential mortgage loan, it does not qualify; but, if your loan was set up as an ag loan, it would be eligible. The primary difference between a traditional mortgage and a farm mortgage is the property itself. While traditional mortgages allow for the purchase or refinance of a residential property, farm financing is specifically for properties zoned agriculturally. In other words, the property must involve the production of agricultural products, such as growing fruits and vegetables or raising livestock.

**9. Am I eligible if I already made my CY 2020 loan payment(s)?**

Yes, all 2020 debt service is eligible, up to \$10,000. The funds will be applied to any unpaid 2020 annual debt service then will be used to reimburse you for any 2020 annual debt service already paid.

**10. Is my debt eligible if my loan balloons in less than 10 years but is set up with an amortization of 10 years or longer?**

Yes, a loan with an amortization of 10 years or more would be considered long-term debt. Please have the lender make note of this on their portion of the application if the debt maturity is less than 10 years.

**11. Am I eligible if I have received assistance through the Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL)?**

Yes. If you received federal funds, including through the PPP or EIDL Program, you are still eligible to receive funds through this program.

**12. What if I have debt service from a contract purchase, not a traditional loan with a bank?**

If your debt service is related to a contract sale, the amortization and contract terms will need to be sent to your lender to be added during their portion of the application. The funds will be sent to your lender with the ACH information they provide, and your lender will disburse the funds to you to be applied to your CY2020 contract payment.

**13. What would be considered a documented, involuntary loss of income?**

A documented loss of income would include a decrease in the value of livestock or other assets due to a decrease in the price of that asset. Iowa State University's Center for Ag and Rural Development estimated loss of revenue due to COVID of roughly \$788 million for corn, \$213 million for soybean, \$658 million for fed cattle, \$34 million for calves and feeder cattle, and \$2.1 billion for hogs.

**14. Who can I contact with questions?**

Please contact the Iowa Farm Relief Help Line with program-related questions, Monday through Friday from 8:00 a.m. - 5:00 p.m.: Toll-free: 877. 317.8909 | local: 515.348.8818

**15. Can I submit a PDF or printed application?**

No. All applications must be submitted online. Applications submitted via any other means will be disqualified. If you require assistance, contact 877.317.8909 or 515.348.8818.

**16. What amount of assistance is available to each applicant?**

The amount of assistance awarded to each eligible applicant shall not exceed \$10,000.

**17. What information do I need to complete the application?**

Applicants must have contact information, lender's name, phone and email and social security number. Applicants applying on behalf of an entity must also have the entity's EIN, names and social security numbers for all members.

*Important: It's critical that applicants provide the correct email for their lender, as lender verification is required to process the application.*

**18. What will my lender need to provide?**

The lender will be required to provide the following information on behalf of the applicant:

- Financial statement showing net worth less than \$682,000. The financial statement must be less than 3 months old with all relevant schedules attached
- Number of ag loans with terms greater than 10 years: (dropdown)
- Loan number
- Loan start date
- Loan maturity date
- Remaining loan amount
- Debt service due on the loan(s) in CY2020
- Purpose of the loan?
  - Ag land
  - Farm buildings
  - Other farm improvements
- Information to ACH funds to bank for beginning farmer, including bank name, routing number and account number

**19. What if I realize I made a mistake in my application after submission?**

Please **do not** submit another application, as duplicate applications will only slow the review process. Instead, email the **Iowa Beginning Farmer Relief Team** explaining the error and provide the correct information. Be sure to include your first and last name, complete address and enter the subject line as "IBFRF APPLICATION CORRECTION" in the email.

**20. Once I submit an application, is it possible to check the status?**

Yes. Check the status of a submitted application utilizing the online status tracker.

**21. How will payments be issued?**

Once an application is approved, a single, one-time payment will be issued via ACH payment directly to the eligible individual's bank to be credited toward any unpaid 2020 annual debt service and then to reimburse the beginning farmer or entity for 2020 annual debt service already paid.