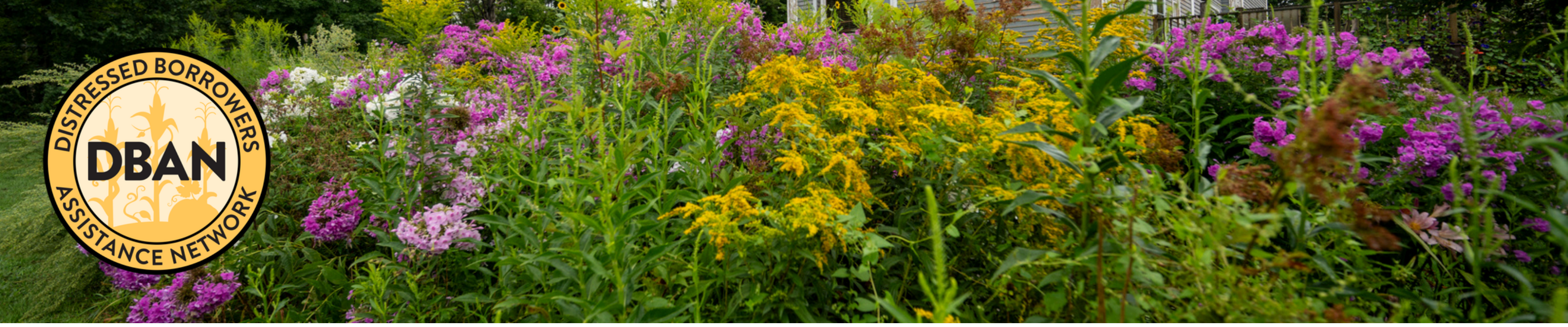

FSA Loan Application FAQs

Q: Would the vehicle be valued at depreciated value or resale/market value?

A: Vehicles should generally be valued at their current **fair market value**, not their depreciated book value.

Q: How do you calculate growing crops inventory and its market value for farm assets? Is it based on the amount already invested in the crop or the potential selling price?

A: In most cases, growing crops are valued based on the producer's **actual investment (cost basis)** in the crop. However, this is determined on a case-by-case basis. Either the cost basis or an estimated market value may be used, provided the value is reasonable and can be adequately supported with documentation.

Q: If unsold crops will be processed into a value-added product, should the producer report the value of the value-added product or just the raw product?

A: If the producer can support the value-added price through contracts, purchase agreements, or other reliable documentation, the crops may be valued at the anticipated value-added amount. Otherwise, they should be reported at the value of the raw agricultural commodity.

Q: Do household operating expenses include rent or mortgage payments?

A: **Rent payments** should be included as part of household operating expenses. **Mortgage payments** are generally not entered as an operating expense because the mortgage is recorded separately as a debt, and the associated payment is reflected in the debt repayment calculation.

Q: If personal assets are listed in Part H, are they treated as collateral for the loan? What if I don't want to use my house as collateral? Can I simply not list it?

A: All assets should be listed on the balance sheet, regardless of whether they will serve as collateral. Listing an asset does **not** automatically mean it will be pledged as security. In general, assets valued over **$15,000** are considered when evaluating collateral. Under FSA policy, a borrower's primary residence and related property may be excluded from collateral if the Agency's security requirements can be met without it, consistent with **7 CFR 764.103(b)** and applicable handbook guidance.

Q: What is a reasonable timeframe from submitting an application to receiving loan funds?

A: Processing times vary depending on the complexity of the loan request. Generally:

- Within **7 calendar days** of receiving an incomplete application, FSA will notify the applicant of any missing information.
- The applicant has **15 calendar days** to provide the requested information.
- If the information is still not received, FSA will issue a second notice, allowing an additional **15 calendar days** before the application may be withdrawn.
- Once a **complete application** is received, FSA generally has **60 calendar days** to make a loan decision.

The time from approval to loan closing and disbursement varies by state based on closing requirements.

Q: Are farmers experiencing delays in loan processing due to the reduction in FSA staffing?

A: Processing times may be longer in some areas where staffing shortages exist. However, FSA has been utilizing employees from other states and offices to assist locations with staffing challenges and help minimize delays whenever possible.

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