

Disclosure of Loan Information

A Statement on Confidentiality and Loan Options and Terms Available and an Explanation of Borrower Rights

INTRODUCTION

This disclosure of loan information has been developed to provide you as an applicant or borrower with timely and meaningful information regarding your loan.

CONFIDENTIALITY OF BORROWER INFORMATION

Your privacy is important to us. Since 1972, regulations of the Farm Credit Administration (“FCA”) have required directors, officers, and employees of Farm Credit institutions to hold in strict confidence all information regarding the character, credit standing, and property of borrowers and loan applicants. We do not sell or trade our customers’ personal information to marketing companies or information brokers. FCA rules allow us to disclose customer information to others only in these situations:

- We may give it to another Farm Credit institution that you do business with.
- We can be a credit reference for you with other lenders and provide information to a credit bureau or other consumer reporting agency.
- We can provide information in certain types of legal or law enforcement proceedings.
- Accredited representatives of any agency of the United States are entitled to access information in connection with legitimate law enforcement inquiries.
- Departments of the United States and responsible private organizations may receive statistical and impersonal information pertaining to groups of borrowers, applicants and loans but may not publish any such information.
- Examiners and other authorized representatives of the FCA are entitled to access all information, records, and files.
- If an employee of a Farm Credit institution applies to become a licensed real estate appraiser, copies of appraisals may be given to the certifying state agency with all appropriate action taken to protect the confidentiality of borrower information contained in the appraisals.
- Borrower information may be given to any party with the borrower’s written consent.

LOAN OPTIONS and TERMS

Farm Credit associations offer a full range of credit and financially related services to meet the needs of their member-owners. Loans are available to farmers and fishermen, processing and marketing operations, farm-related businesses, and rural home borrowers. Loans to full-time bona fide farmers and fishermen can be made for essentially any purpose. Loans to less than full-time farmers and fishermen as well as to farm related businesses are available for a variety of purposes to meet their particular financing needs.

Loans may be unamortized, however, generally are amortized over a short or intermediate term (ranging from repayment within the current season to as long as 15 years), or long term loans (5 to 40 years). While the proceeds from long term loans and many short or intermediate term loans are disbursed at the time of closing, lines of credit are available for qualified borrowers providing a reserve of credit that can be drawn on as needed over a period of time. Loan repayment scheduling is flexible to allow for matching of obligations with the cash flow of your business. Short and intermediate term loans generally have repayment schedules tied to cash flow. Monthly, quarterly, semi-annual or annual repayment programs are available for long term loans.

Collateral required, if any, to secure a short or intermediate term loan is determined by the strengths and weaknesses of the other credit factors. Long term loans must be secured by a first lien on primarily agricultural or rural real estate. Loans are priced competitively with both fixed and variable interest rate programs available. Differential interest rates are used to reflect the level of risk associated with a loan and the time required to service it. The interest rate loan program and rate

for which you will qualify will depend upon various factors and considerations including the purpose, amount, and term of the loan, your financial condition, repayment ability, and the value of collateral pledged. Prior to loan closing you will be provided with specific information regarding the loan options and interest rate you have qualified for/selected.

Disclosure of Documents. As an applicant, if your loan request will be secured by a first lien on a residential dwelling, we may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal made, even if your loan does not close. You can also pay for an additional appraisal for your own use at your own cost. When your loan closes or when your loan contract is later modified or amended, you will be provided with a copy of all loan documents you have signed. Subsequently, upon written request, a copy of those documents as well as other documents which you have provided and appraisals which we have made or used will be given to you. We will provide a copy of the Association charter and bylaws upon request.

BORROWER RIGHTS

If the applicant/borrower is a farmer, rancher, or producer or harvester of aquatic products, the applicant/borrower is afforded various rights under the Farm Credit Act of 1971, as amended (12 U.S.C. 2001 et seq.), and the regulations of the Farm Credit Administration. Those rights include, without limitation, the following:

Notice of Action on Applications. You can expect to receive prompt written notice of the decision on your loan application or on a request for distressed loan restructuring. If an adverse credit decision is made, the notice will include: the specific reasons for the action, any critical assumptions and relevant information upon which the reasons for denial of a distressed loan restructuring decision are based, notice that you can request a review of the decision, and an explanation of the process for seeking a review.

Credit Review Committee. A credit review committee will reconsider an adverse credit decision made on your completed loan application or request for distressed loan restructuring provided you have made a timely request in writing for a review of the decision. The committee will include farmer board representation. You may appear before the committee and may be accompanied by counsel or by any other representative of your choice. Any documents or other evidence to support the information contained in the unsuccessful loan or restructuring application may be submitted. As a part of a request for a review, you may request an independent appraisal, by an independent evaluator, of property securing the loan. On receiving such a request, the committee will provide you with a list of three independent evaluators approved by the lender to select from. The committee will provide you with a copy of the evaluations, the cost of which must be borne by you, and will consider the evaluations in its determination. The credit review committee will notify you in writing of its decision and the reasons for the decision.

Disclosure of Loan Information. If your loan is subject to the Truth in Lending Act you will be provided with timely disclosures of loan information called for in that Act. If your loan is not subject to the Truth in Lending Act, loan information will be disclosed to you in accordance with requirements of the Farm Credit Act of 1971, as amended.

We will disclose to you in writing, not later than the time of loan closing, the current rate of interest on your loan, the effective interest rate on your loan, and in the case of an adjustable rate loan:

1. The amount and frequency by which the interest rate can be adjusted during the term of the loan or, if there are no limitations on the amount or frequency of such adjustments, a statement to that effect; and
2. An identification of the specific standard adjustment factors that are taken into account in making adjustments to the interest rate on the loan.

If the interest rate on your loan is adjusted we will advise you of the new interest rate on the loan and the effective date of the change as well as furnish you with a statement of any factors other than the standard adjustment factors which were taken into account in establishing the new rate.

If we offer, on loans like yours, more than one rate of interest to borrowers, upon your request, we will provide a review to determine if the proper interest rate has been established. We will, at that time, explain in writing the basis for the interest rate charged and explain how your credit status may be improved to receive a lower interest rate on the loan.

Protection of All Borrowers Who Meet All Obligations. If your loan is current with respect to all payments of principal, interest and penalties, we may not 1) foreclose for failure to provide additional collateral or 2) accelerate payment of your entire obligation due to your not having made one or more principal and/or interest payments. We will not require you

to reduce the principal balance on your loan in a manner which exceeds the regularly scheduled principal installment payment unless 1) you sell or otherwise dispose of part or all of the collateral and the proceeds from the sale or disposition are not applied to the loan or 2) you agree otherwise in a written agreement. If your loan is placed in nonaccrual status resulting in adverse action being taken against you, we will notify you in writing of this change of status and the reasons for it. If your loan was current at the time of such action and a request from you to have the loan placed back into accrual status is denied, you will be entitled to a review of such denial before the credit review committee provided you have made a timely request in writing for a review.

Distressed Loan Restructuring. We may not foreclose unless we provide written notice to Borrower, at least 45 days before commencing foreclosure proceedings, that the Loan has been identified as distressed and that Borrower has the right to request a restructuring of the Loan. We will include with the notice a copy of our distressed loan restructuring policy and the forms on which Borrower may submit a request for restructuring. If the Loan is secured by a mortgage or lien on agricultural property, Lender may not require Borrower to waive any right under the agricultural loan mediation program of any state.

Right of First Refusal. We would hope that circumstances never arise whereby we would find ourselves having acquired property pledged as collateral for your loan. In the event, however, that you lack the financial resources to avoid foreclosure and we do acquire your agricultural real estate as a result of foreclosure or voluntary conveyance, the prior owner will have a right of first refusal to purchase or lease acquired agricultural real estate should we decide to sell or lease it. We will notify the prior owner in writing of the decision to sell or lease the property and of the prior owner's right to purchase or lease the property, as appropriate, at the appraised fair market value or fair rental value, or if the property is sold by public offering, at the price of the highest qualified bid. We will also consider a timely offer from the prior owner to purchase or lease the property at a price less than the appraised value.