

ALABAMA AGRICULTURAL DEVELOPMENT AUTHORITY
ADMINISTRATIVE CODECHAPTER 108-1-3
LOAN PROGRAMS

TABLE OF CONTENTS

108-1-3-.01	Cattle Working Facilities Loan Program
108-1-3-.02	Commodity Barn Loan Program
108-1-3-.03	Equipment Shed Loan Program
108-1-3-.04	Hay Barn Loan Program
108-1-3-.05	Irrigation Loan Program
108-1-3-.06	Special Loan Program

108-1-3-.01 Cattle Working Facilities Loan Program.

Funds may be loaned by the authority to a borrower under the Cattle Working Loan Program if the borrower is engaged in agricultural operations in this state and the borrowed funds will be used for construction of improved cattle working facilities for use on farms and ranches in this state; enables increased efficiency in handling cattle, along with better monitoring of cattle herd health; and improves production practices.

(a) Applicants are subject to a \$50 loan application fee for each application submitted.

(b) All borrowers seeking loans under this rule are subject to credit checks by the authority.

(c) All structures proposed to be built with funds loaned under this rule must meet certain standard criteria as determined by the authority and all building plans for any proposed project must be approved by an authority representative prior to award of a loan pursuant to this program.

(d) \$20,000 is the maximum amount that will be loaned under this rule.

(e) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.

(f) Application fee for each application submitted. All amounts borrowed under this rule shall be repaid to the authority, plus interest at the applicable rate, no later than 3 years from the date loan proceeds are issued to the borrower.

- (g) Interest charged on funds borrowed under this rule is 3%.
- (h) All borrowed amounts must be full collateralized.
- (i) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.
- (j) All borrowed amounts must be fully collateralized.
- (k) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.

108-1-3-.02 Commodity Barn Loan Program.

Funds may be loaned by the authority to a borrower under the Commodity Barn Loan Program if the borrower is engaged in agricultural operations in this state and will use the borrowed funds to purchase agricultural commodities in bulk to realize savings in the purchase of those agricultural commodities and those agricultural commodities will be used by the borrower for borrower's agricultural operations in this state.

- (a) Applicants are subject to a \$50 loan
- (b) All borrowers seeking loans under this rule are subject to credit checks by the authority.
- (c) Loans issued pursuant to this rule are made in the following amounts:
 - (i) \$7,500;
 - (ii) \$15,000; or
 - (iii) \$22,500
- (d) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.
- (e) All amounts borrowed under this rule shall be repaid to the authority, plus interest at the applicable rate, no later than 3 years from the date loan proceeds are issued to the borrower.
- (f) Interest charged on funds borrowed under this rule is 3%.
- (g) All borrowed amounts must be fully collateralized.

(h) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.

(i) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.

108-1-3-.03 Equipment Shed Loan Program.

Funds may be loaned by the authority to a borrower under the Equipment Shed Loan Program if the borrower is engaged in agricultural operations in this state and will use the borrowed funds for construction of a new structure on a farm in this state to protect the borrower's equipment resulting in borrower receiving substantial economic benefits and improved operational efficiencies.

(a) Applicants are subject to a \$50 loan application fee for each application submitted.

(b) All borrowers seeking loans under this rule are subject to credit checks by the authority.

(c) All structures proposed to be built with funds loaned under this rule must meet certain standard criteria as determined by the authority and all building plans for any proposed project must be approved by an authority representative prior to award of a loan pursuant to this program.

(d) \$35,000 is the maximum amount that will be loaned under this rule.

(e) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.

(f) All amounts borrowed under this rule shall be repaid to the authority, plus interest at the applicable rate, no later than 5 years from the date loan proceeds are issued to the borrower.

(g) Interest charged on funds borrowed under this rule is 3.5%.

(h) All borrowed amounts must be full collateralized.

(i) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.

(j) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.

108-1-3-.04 Hay Barn Loan Program.

Funds may be loaned by the authority to a borrower under the Hay Barn Loan Program if the borrower is engaged in agricultural operations in this state and will use the borrowed funds for construction of a new structure on a farm in Alabama to protect the borrower's hay, resulting in borrower receiving substantial economic benefits and improved hay quality.

(a) Applicants are subject to a \$50 loan application fee for each application submitted.

(b) All borrowers seeking loans under this rule are subject to credit checks by the authority.

(c) All structures proposed to be built with funds loaned under this rule must meet certain standard criteria as determined by the authority and all building plans for any proposed project must be approved by an authority representative prior to award of a loan pursuant to this program.

(d) The maximum loan amounts available under this rule are as follows:

(i) \$12,500 (40' x 60' barn), or

(ii) \$25,000 (50' x 100' barn).

(e) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.

(f) All amounts borrowed under this rule shall be repaid to the authority, plus interest at the applicable rate, no later than 4 years from the date loan proceeds are issued to the borrower.

(g) Interest charged on funds borrowed under this rule is 4%.

(h) All borrowed amounts must be fully collateralized.

(i) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.

(j) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.

108-1-3-.05 Irrigation Loan Program.

The authority may loan funds to a borrower under the Irrigation Loan Program if the borrower's agricultural operations include production of Alabama fruits, vegetables, or nuts, and the borrowed funds will be used to aid with the cost of irrigating those crops.

(a) Applicants are subject to a \$50 loan application fee for each application submitted.

(b) All borrowers seeking loans under this rule are subject to credit checks by the authority.

(c) Irrigation systems proposed to be installed with the funds borrowed pursuant to this rule must meet certain criteria as determined by the authority and all building or construction plans must be approved by an authority representative prior to award of a loan under this rule.

(d) The amount of a loan made under this rule is an amount negotiated and mutually agreed to by the authority and a borrower.

(e) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.

(f) All amounts borrowed under this rule shall be repaid to the authority, plus interest at the applicable rate, no later than 4 years from the date loan proceeds are issued to the borrower.

(g) Interest charged on funds borrowed under this rule is 3.5%.

(h) All borrowed amounts must be fully collateralized.

(i) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.

(j) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.

108-1-3-.06 Special Loan Program.

The authority may loan funds to a borrower under the Special Loan Program if the borrower's engages in an agricultural operation in this state.

(a) The authority has the sole discretion determine if a borrower's proposed project may be financed with funds from the Special Loan Program.

(b) Applicants are subject to a \$50 loan application fee for each application submitted.

(c) All borrowers seeking loans under this rule are subject to credit checks by the authority.

(d) All structures proposed to be built with funds loaned under this rule must meet certain standard criteria as determined by the authority and all building plans for any proposed project must be approved by an authority representative prior to award of a loan pursuant to this program.

(e) The amount of a loan made under this rule is an amount negotiated and mutually agreed to by the authority and a borrower.

(f) An inspection of applicant's agricultural operation by an authority representative is required prior to loan approval.

(g) The terms of a loan made pursuant to this rule (i.e., the interest rate on borrowed funds, the loan repayment period, and the amount of the loan) vary on a project-by-project basis. The authority reserves the right to determine the terms of a loan made under this rule.

(g) All borrowed amounts must be fully collateralized.

(i) All loans issued pursuant to this rule require personal guaranty by an individual with sufficient assets to fully satisfy the borrowed amount in the event of default.

(j) The authority reserves the right to deny any loan application.

Author: Alabama Agricultural Development Authority

Statutory Authority: Code of Ala. 1975, §2-3A-7.

History: New Rule: Filed April 5, 2017; effective May 20, 2017.