



At Louisiana Land Bank our goal is to be the *premier* agricultural lender in the state of Louisiana. **Our promise to you** is to provide you with prompt, excellent service and 100% satisfaction, not only throughout your application process, but during your entire experience with our organization.



INFORMATION NEEDED TO BEGIN PROCESSING APPLICATION

(Loans up to \$350,000)

1. An application fully completed and signed by all applicants (form enclosed).
2. Current financial statement for individuals applying for loan, including schedule of liabilities to provide lender's name, interest rate, length of loan, payment amount and balance owing (form enclosed).
3. Current financial statement for partnerships and/or corporations in which you own an interest.
4. Environmental questionnaire completed and signed (form enclosed).
5. An authorization form signed by both applicant and spouse (form enclosed).
6. Verification of income for all applicants, i.e., copies of most recent tax returns complete with schedules, and/or income/expense statements certified by you and your accountant, or W-2/pay stub if salaried.
7. Copy of current driver's license for each applicant.
8. Legal description of land offered as security (either metes and bounds or lot and block number, etc.), accompanied by a surveyor's plat or aerial photograph (if available). If the offered security is a rural residence, a surveyor's plat must be provided.
9. Copy of sales contracts on all purchase money transactions.
10. If proposed loan is for construction, furnish:
 - a. Complete set of plans and specifications with all blanks completed. Signed by applicant and builder.
 - b. Copy of construction bid or contract signed by applicant and builder.
 - c. Survey reflecting location of house, outbuildings, well, access to public roads and other improvements in relation to property lines is required on small acreage lots.
11. If the land offered as security is in a subdivision, include a copy of the deed restrictions for that subdivision and a subdivision plat.



Loan Application

PERSONAL INFORMATION

Applicant

Full Name (First) (Middle) (Maiden) (Last) (Suffix)

Social Security # Date of Birth (Month/Day/Year)

Address (Street) (Apt. #) (City) (State) (Zip Code) (Parish or County of residence)

Phone (Home) (Work) (Mobile)

E-Mail Address

Year Began Farming Primary Farm Product (Timber, Cattle, Crops, etc.)

Marital Status (Married or Unmarried) If Married, maiden name:

Previously married? If Yes, we need name(s) of former spouse(s) and whether divorced or deceased. Former spouse name: (Divorced or Deceased) Former spouse name: (Divorced or Deceased)

Employer Name Length of Employment (Years) (Months) Job Title Salary per (Year, Month, Hour)

Co-Applicant

Full Name (First) (Middle) (Maiden) (Last) (Suffix)

Social Security # Date of Birth (Month/Day/Year)

Address (Street) (Apt. #) (City) (State) (Zip Code) (Parish or County of residence)

Phone (Home) (Work) (Mobile)

E-Mail Address

Year Began Farming Primary Farm Product (Timber, Cattle, Crops, etc.)

Marital Status (Married or Unmarried) If Married, maiden name:

Previously married? If Yes, we need name(s) of former spouse(s) and whether divorced or deceased. Former spouse name: (Divorced or Deceased) Former spouse name: (Divorced or Deceased)

Employer Name Length of Employment (Years) (Months) Job Title Salary per (Year, Month, Hour)

LOAN INFORMATION

- 1) Do you own any agricultural land? _____ How many acres? _____
(Yes or No)
- 2) If **Yes**, what is the method of operation? _____
(Operator, Landlord, or Combination)
- 3) You currently live on: _____
(Property I own, Property to be Purchased, or Rented Property)
- 4) The purpose of my application for a loan is to: _____
(Purchase land/equipment; operating, etc.)
- 5) If purpose is to **Refinance**, name of lender: _____
date of debt: _____
interest rate: _____
amount of debt: _____
- 6) If purpose is to **Purchase**, purchase price: _____
acreage: _____
legal description: _____ *Please attach copy.
under contract?: _____ *Please attach copy.
- 7) Security offered for loan: _____ acres in _____ Parish or County (if applicable).
Equipment description: _____ (If applicable)
Estimated value of security is: _____
- 8) This security ownership will be: _____
(Individual, Partnership, Corporation, Estate, Trust, Guarantor, Combination)
- 9) If security ownership is **Individual** and **Married**, will ownership be community or separate?
_____ *If Separate, marriage contract must be furnished.
(Community or Separate*)
- 10) Are there any liens on security being offered? _____
(Yes or No)
- 11) Is the security claimed as your homestead? (TX) _____
(Yes or No)
- 12) Does the security offered contain a house/dwlg? _____
(Yes or No)
- 13) Will you occupy this security as your permanent residence? _____
(Yes or No)
- 14) If the title to the property offered herein is owned jointly; Power of Attorney is hereby given to _____ to act for and on behalf of all joint owners in all matters pertaining to this application and any loan made thereunder, including the execution of the Promissory Note and Deed of Trust, and all rights to receive dividends, refunds, stock or participation certificates proceeds, and to exercise any voting rights in said Association.
- 15) Are you a member of any Farm Credit Institution such as an ACA, PCA, or FLCA? _____
(Yes or No)
- 16) If **Yes**, which one? _____
(Name of Association)
- 17) Loan amount requested: _____
Amortized for: _____ years.
Payment due: _____
(Monthly, Quarterly, Semi-Annually, Annually)
- 18) Type of interest rate: _____ If **Fixed**, for how many years? _____
(Fixed or Variable)
- 19) Where did you hear about the Association? _____
(Friend, Radio, Newspaper, Billboard, etc.)

FINANCIAL INFORMATION

Required Information

Checking Acct. Balance: _____
Total Monthly Income: _____
Years as Owner: _____
Repayment (SIC) Code: _____

Additional Data (Recommended)

Other Cash Equivalents: _____
Total Current Assets: _____
Total Assets: _____
Earnings before Int. & Tax: _____ N/A
Annual Interest Expense: _____ N/A
Total Current Liabilities: _____
Net Worth: _____

I (we) agree to provide all financial and income information required by the Association to evaluate my (our) credit request and hereby represent that all of the statements contained herein are true and correct, having the same legal effect of a sworn representation; that no information has been withheld or suppressed which would adversely affect the value of, or my title to, the property offered as security; that there are no suits pending or unsatisfied judgments against me other than those shown on my financial statement, and that all encumbrances or liens against said property are valid and have been shown. (If you are applying for credit individually and not relying on the credit worthiness of your spouse, the only information about your spouse required to be furnished is: (1) his/her home address; (2) whether you are separated from him/her; and (3) the obligations and amount of debt owned by him/her for which your property or income is or may become liable under applicable State law.) NOTE: **Alimony, child support, or separate maintenance income need not be included if you do not wish to have it considered for repaying this loan.** If this application is approved for a loan in an amount agreeable to me, I agree to furnish at my expense a mortgagee's title insurance policy, or other evidence of title acceptable to said Association, covering the property offered as security, and any easements required for access. I agree to pay all costs incident to the obtaining and recording of legal instruments required in connection with the loan approval hereunder, whether or not such loan is ultimately closed, and I agree to pay the fee properly charged in connection with this application. I apply for membership in the Association herein named or its parent association as required by applicable by-laws and agree to (1) purchase the required shares of capital stock or participation certificates of said association, (2) be bound by the bylaws and actions of the Board of Directors of said Association. I authorize you to obtain such credit reports, employment and income verifications and other information as may be required in connection with this loan application or in connection with the review or collection of any loan resulting therefrom or any and all future renewals and extensions thereof, and hereby instruct any credit reporting agency or other person to provide such credit reports or other information requested by the Association.

I hereby certify that I have received the proper disclosure of Stock or Participation Certificates and the risk associated with said investment.

I (we) understand and agree that the Lender may without liability withdraw from negotiations regarding this loan application at any time and that the approval for a loan in any amount resulting from this loan application will be evidenced ONLY by a written notice from the Lender and that I am not entitled to rely upon my oral statements regarding the likelihood that this application will be approved.

The following disclosure applies if the loan is to be 1) for any purpose and secured by a first lien on your dwelling or 2) for a consumer purpose, secured by any lien on your principal dwelling, and with an interest rate that is higher than certain average rates in the market:

THE ASSOCIATION MAY ORDER AN APPRAISAL TO DETERMINE THE PROPERTY'S VALUE AND CHARGE YOU FOR THIS APPRAISAL. THE ASSOCIATION WILL PROMPTLY GIVE YOU A COPY OF ANY APPRAISAL, EVEN IF YOUR LOAN DOES NOT CLOSE.

YOU CAN PAY FOR AN ADDITIONAL APPRAISAL FOR YOUR OWN USE AT YOUR OWN COST.

NOTE: Pursuant to 18 USCS § 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) have completed and reviewed this application.

NOTICE of JOINT CREDIT: We intend to apply for joint credit.

X _____ (initials)

(Applicant Signature)

(Date)

(Co-Applicant Signature)

(Date)

Louisiana Land Bank, ACA

NMLS ID: 453955

Loan Officer

NMLS ID:

EXPLANATION OF TERMS

Total Monthly Income: Combined monthly income of the applicant(s) from all sources, defined as net business income, salaries, wages, dividend, royalties, etc.

Years as Owner: Years the applicant(s) have owned the current business or property, or if a professional (Doctor, Lawyer, etc.) , the number of years in practice.

Repayment (SIC) Code: The primary repayment source for this loan. The SIC code should be selected based on the association's policies.

Total Current Assets: Applicant(s) current assets (cash, savings, CD's, stocks, bonds, livestock held for sale, pensions, cash value of life insurance, notes receivable).

Total Assets: Applicant(s) total assets. (total of current, also include: HH goods, vehicles, machinery, Real Estate breeding livestock)

Total Current Liabilities: Total obligations that must be paid within the next 12 months, including total credit card debt .

Net Worth: Total Assets minus total Liabilities.

Earnings before

Interest & Taxes: Net profit plus taxes plus annual interest expense, or Gross profit minus (selling and general administration expenses; depreciation, depletion and amortization expenses; officers', directors' and owners' compensation; and other operation expenses.

Annual Interest Expense: Amount of the annual interest expenses for all obligations.



Balance Sheet of: _____
As of: _____

Current Assets		Current Liabilities - Due 1 year or less						
	<i>Value</i>	Lender	Date Due	Rate %	Pmt Amount	Accrued Interest	Principal Balance	
Cash and Savings - Sched. 1								
Stocks, Bonds & Commodities - Sched. 2								
Accounts Receivable - Sched. 3A								
Notes Receivable - Sched. 3B								
Prepaid Items - Sched. 4								
Inventories - Sched. 5								
Growing Crops & Land Preparation - Sched. 6								
Livestock For Sale - Sched. 7								
Cash Value Life Insurance								
Other Current Assets - Sched. 10								
		Accounts Payable						
		Credit Card Debt						
Total Current Assets		Total Current Liabilities						
Intermediate Assets		Intermediate Liabilities		Date Due	Rate %	Payment Amount	Payments Per Year	Principal Balance
		Lender						
Breeding / Milking Livestock - Sched. 7								
Vehicles								
Machinery & Equipment - Sched. 8								
Personal Property / Household Goods								
Borrower Stock - Sched. 11								
Other Intermediate Assets - Sched. 10								
Partnerships, Corporations, etc.								
Total Intermediate Assets		Total Intermediate Liabilities						
Long-Term Assets		Long-Term Liabilities		Date Due	Rate %	Payment Amount	Payments Per Year	Principal Balance
		Lender						
Retirement Accounts								
Long-Term Notes Receivable - Sched. 3B								
Real Estate (Acres & County) - Sched. 9								
Other Long-Term Assets - Sched. 10								
Total Long-Term Assets		Total Long-Term Liabilities						
TOTAL ASSETS		TOTAL LIABILITIES						
		Net Worth						

I / We certify the foregoing to be a true and accurate representation of my/our balance sheet as of the date indicated.

Signature Date

Signature Date



Financial Institution	Branch / Location	Cash	Savings	CD's	Total Balance
TOTALS					

Stocks, Bonds & Commodities - Schedule 2

Description of Stock, Bond or Commodity	Account Type	# of Shares	Market Value per Share	Value
TOTALS				

Accounts Receivable - Schedule 3A

Debtor	Maturity Date	Interest Rate	Value
TOTALS			

Notes Receivable - Schedule 3B

Debtor	Maturity Date	Interest Rate	Current or Long-Term	Value
TOTALS				

Prepaid Items - Schedule 4

Prepaid Item Type	Description	Quantity	Value
TOTALS			

Inventories - Schedule 5

Inventory Type	Description	Quantity	Unit of Measure	Price per Unit	Value
TOTALS					

Growing Crops & Land Preparation - Schedule 6

Type	Description	Quantity	Value
TOTALS			

Livestock for Sale & Breeding / Milking Livestock - Schedule 7

Description - Include Breed	No. of Head	Current / Inter.	Unit of Meas.	Unit Price	Avg. Weight	Value
TOTALS						

Machinery and Equipment - Schedule 8

Make & Model	Year	Description	Serial Number	Quality	Value
TOTALS					

Real Estate - Schedule 9

Location / Description	Homestead (Yes or No)	# of Acres	Value
TOTALS			

Other Assets - Schedule 10

Description	Asset Type (Current, Intermediate, Long-Term)	Value
TOTALS		

Borrower Stock - Schedule 11

Asset Type (Current, Intermediate, Long-Term)	Loan Number	# of Shares	Market Value per Share	Value
TOTALS				

45. Have you been the beneficiary of a loan restructuring, debt forgiveness, deed in lieu of foreclosure (“dation en paiement” in Louisiana) or subject to foreclosure within the past 7 years? Yes No If Yes, state which action and date.
46. Judgments and suits are pending against me as follows (attach copies): _____
47. Have you ever gone through bankruptcy? Yes No When?_____.
48. Value of growing or unharvested crops \$_____. Crops Insured? Yes No Amount of insurance \$ _____
49. I own an interest in the following: Partnership, Corporation, Trust, Estate, not applicable.
50. Is any part of the downpayment borrowed? Yes No
51. Are you liable on any notes by endorsement or guaranty in relation to any entities or businesses in which you claim an interest or to accommodate other people? Yes No

If yes, show amount, interest rate, due date and amount of payment (not included in the above statement).

Amount	Int. Rate	Due Date	Amount of Payment

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



AUTHORIZATION AGREEMENT

TO WHOM IT MAY CONCERN:

I/We have applied for a loan with the Louisiana Land Bank Association, ACA. I/we hereby authorize you to obtain credit reports, employment and income verifications, FSA program payments or crop bases, and any other information that may be required by Louisiana Land Bank in connection with this loan application, future renewals and extensions, or collection thereof, and hereby instruct such agencies or persons to provide such credit reports or other information requests verbally, in writing, electronically, or by any other means.

You are hereby authorized to release any relevant credit or employment information required by the Association to complete the processing of the loan request, either before the loan is closed or as part of its quality control program, and you are hereby instructed to release such information.

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

Your prompt reply will help expedite my transaction.

Thank you.

_____ Signature	_____ Date	_____ SSN
_____ Signature	_____ Date	_____ SSN



YOUR INVESTMENT IN YOUR FARM CREDIT SYSTEM ASSOCIATION

As a member, you should be aware that your Agricultural Credit Association, Federal Land Credit Association, or Production Credit Association (“association”) is part of the federal Farm Credit System serving local agriculture in the Tenth Farm Credit District. The associations originate agricultural loans directly and make financially related services available to their members. Since associations are organized as cooperatives, you invest in the capital stock or participation certificates of the association as a condition to receiving a loan from the association or to qualify for financially-related services. This means that only persons eligible to hold stock or participation certificates can borrow from associations and that borrowers are a source of capital for an association. In addition, holders of 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 vote to select members of the Nominating Committee, to make nominations from the floor and vote in the election of directors to the association's board of directors, 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 association has a first lien on your stock or certificates and on any dividends, patronage and allocated surplus or equities as additional collateral for your loan(s) or any other indebtedness to the association. In the event of a default on the loan(s), all or part of such equities or amounts 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 REPAID?*

- 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, including allocated equities, 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. In the case of allocated equities, under the FCA's regulations and the association's capitalization bylaws, or where applicable, the association board of directors' annual capital resolution, such retirement may also require the approval of the FCA. 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 under parts 615 and 628 of FCA's regulations, 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 can reasonably be expected to allow for the orderly retirement of purchased stock when requested by a stockholder, and where the association issues allocated equities, the orderly retirement of allocated equities in accordance with the association's capitalization bylaws, or where applicable, the board's annual capital resolution, 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 allocated equities, the payment of dividends or the 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 or if the FCA's approval is required but not received.

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.