



AgEquity

REVOLVING LINE OF CREDIT

PUTTING LAND EQUITY TO WORK FOR YOUR FARM OR RANCH

The AgEquity Revolving Line of Credit allows borrowers to use the equity in their agricultural real estate to fund capital and operating purchases. 5 year or 10 year draw periods are available to better position their operation for success. Competitive rates are variable monthly based on Farmer Mac variable rate cost of funds index with semi-annual interest payments automatically deducted each January and July. Conversion options are available to convert line into an amortizing term loan if desired. See AgEquity Product Terms for more information.

FIRST MORTGAGE TERMS

- Loan to value: up to 50% (bare land value only)
- Debt to Asset Ratio: 50% maximum
- Current Debt Ratio: 1.25 minimum
- Total Debt Coverage Ratio: 1.35:1 minimum
- Draw requests are wired directly to borrowers designated bank account
- Limited draws per month
- 10 year Draw Period requires a "5 year look in" with current financial statements required at that time.

Zions Ag Finance is a leader in both loan origination and servicing in the secondary agricultural real estate lending market. For questions on these products, please contact your local regional Business Development Officer today.

CONTACT US TODAY
800-641-9619 | zionsag.com

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AGEQUITY REVOLVING LINE-OF-CREDIT

PRODUCT TERMS

Revolving line of credit loan secured by a 1st mortgage on ag real estate with a revolving (draw) period of 10 or 5 years and a total loan term of 30 years. Interest only payments will be made during the draw period by way of required ACH withdrawals on a semi-annual basis with payments due on January 1 and July 1 during the draw period.

Variable Interest Rate based on 1-month Farmer Mac VRM Internal Cost of Funds Index. Line is convertible to a term loan on or before end of draw period (if converted during the draw period, revolving feature is eliminated).

Upon termination of the draw period, either as scheduled or by the action of the borrower or lender, borrower may select an amortizing interest rate product from those available at that time.

Maximum of 2 draws per month and unlimited number of repayments during the draw period.

Applicant must certify that the loan is a business loan and draws are used for business purposes.

At closing, AgEquity loans must fund at closing a minimum amount of \$2,500

No annual fees during the draw period or amortizing period.

Minimum Loan Size: \$200,000

Management of Funds:

- **Request for Funds:** Borrower sends Zions Ag Finance a draw request form and funds are wired to borrowers designated bank account. Requests for funds received by 12:00 Noon (Central Time) will result in the funds being delivered to the borrower's bank account the next day. Requests after this time will be delivered one business day later.
- **Draw Frequency:** Two draws permitted per month.
- **Draw Restrictions:** Minimum draw amount per transaction is \$2,500 (\$100 increments).
- **Use of Loan Proceeds:** Borrower must represent that the proceeds are intended for agricultural or business use.
- **Loan Balance:** A loan balance must be maintained. A zero loan balance will result in loan being paid in full and AgEquity draw feature closed.

Repayment Terms During Draw Period: Repayments will consist of semi-annual interest-only payments (January 1 & July 1) throughout the draw period by way of ACH withdrawals and pulled from the borrower's bank account on January 15 and July 15. During the draw period an unlimited number of payments per year are allowed on principal in any amount on any business day. Principal payments may be paid online via www.zionsag.com and selecting the Payment button or may be by wired funds or check.

Repayment Terms After Draw Period: Repayments will consist of semi-annual principal and interest payments due each January 1 and July 1. Scheduled payments will be made only through the ACH process and pulled from the borrower's bank account on January 15 and July 15. Non-scheduled payments can be paid online via www.zionsag.com and selecting the Payment button or may be by wired funds or check. Unscheduled principal payments and payment in full will require interest to be paid to the next payment due date.

Conversions: The borrower has the option to convert the AgEquity loan to other available fixed or variable rate mortgage products either during or at the scheduled termination of the draw period. Conversions may occur only on scheduled payment dates and in accordance with provisions in the Note. Conversion to an amortizing product during the draw period will terminate the draw feature to the loan. If the borrower takes no action with regard to conversion at the end of the draw period, the loan will remain on the 1-month VRM product for the scheduled amortized loan term. No fee will be charged for the conversion at the termination, scheduled or not, of the draw period. Subsequent loan product conversions will require a fee.

Collateral Requirements: Loan security must be a first mortgage position. If the offered security includes improvements or permanent plantings, the contributory value of such will be deducted from the appraised value, with the result used for AgEquity qualification. Irrigation equipment may be included in the property value if property secured.

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