



# FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY

August 2009

## How to Complete an FSA Loan Application

### Overview

This fact sheet describes how farmers can apply for a direct farm loan with the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA). FSA must follow all relevant federal credit, environmental, and debt collection laws and policies when making farm loans.

### Applying for a Loan

Farmers interested in applying for a loan should contact their local FSA office. FSA employees determine loan eligibility and approval. FSA direct farm ownership and operating loan funds can assist farmers with such needs as purchasing farmland, livestock, equipment, feed and other materials essential to farm operations; paying normal operating and family living expenses; and refinancing certain debts. FSA loans cannot be used to refinance personal debts, buy personal vehicles, or start and operate ineligible enterprises.

FSA employees at the local office can explain what information is needed and how to obtain it. In some areas, FSA can arrange for an outside organization to help the applicant gather the information and complete the forms. If available, this help is provided at no cost to the applicant. Providing all

of the following information will help the loan application process flow smoothly. (Please note that other information may be required depending on each individual situation.)

### FSA Forms

The following forms must be completed:

- FSA 2001: "Request for Direct Loan Assistance"  
- If the applicant is a cooperative, corporation, partnership, joint operation, trust, or limited liability company, additional information will be required of each member of the entity. Applicants will need to discuss the structure of the business with an agency official. (Applicants will need to provide a credit report fee, which will vary in amount depending on how many individuals are applying and/or the business structure.)
- FSA-2002: "Three Year Financial History;"
- FSA-2003: "Three Year Production History;"
- FSA-2004: "Authorization to Release Information;"
- FSA-2005: "Creditor List;"
- FSA-2006: "Property Owned and Leased;"
- FSA 2037: "Farm Business Plan Worksheet-Balance Sheet;"

- FSA 2038: "Farm Business Plan Worksheet-Projected Income and Expense;"
- FSA-2302: "Description of Farm Training and Experience."

### Additional Information

In addition to forms, an applicant must provide FSA the following information as part of the loan process: (Note: If the applicant is already an FSA borrower, this information should be on file with the FSA.)

- Proof that the applicant cannot obtain credit from private sources at reasonable rates and terms. A referral letter from a bank or other local lending institution serves as proof and may or may not be necessary depending on the applicant's financial situation;
- Three years of federal income tax returns;
- Copies of any leases, contracts, or agreements;
- Documentation showing compliance with regulations governing certain environmental programs. The local FSA office can assist the applicant with meeting this requirement.

**Emergency Loans (EM)**

EM loans help cover production and physical losses for producers in counties declared as disaster or quarantine areas. Applicants requesting an EM loan based on losses in declared areas should also provide the following forms:

- FSA 2309: “Certification of Disaster Losses”
- FSA 2310: “Request for Lender’s Verification of Loan Application”

Actual Production History (APH) yields must be established by a producer’s crop insurance company and will be used to calculate losses. If APH yields are not available, three years of the producer’s production history will be used.

**Obtaining Forms and Submitting Loan Applications**

FSA forms can be obtained from the local FSA office or can be downloaded and printed from USDA’s “eForms” Web site at: <http://forms.sc.egov.usda.gov/eForms/>.

Applicants who are having problems gathering information or completing forms should contact their local FSA office for help. After completing the required paperwork, an applicant should submit the farm loan application to the local FSA office.

**What Happens After a Loan Application is Submitted?**

After a loan application is submitted, FSA reviews the application and determines if the applicant is eligible for the requested loan. The applicant will receive written notification of each step in the process, such as when the application is received, when more information is needed, when an eligibility determination is made, and when a final decision is made. If the application is approved, FSA makes the loan and funds are distributed as needed. If the application is denied, the applicant is notified in writing of the specific reasons for the denial, and provided reconsideration and appeal rights.

**More Information**

Visit FSA’s Web site, [www.fsa.usda.gov](http://www.fsa.usda.gov), for details on the types of loans and loan amounts offered, as well as for information about all FSA programs.

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