

KMac Q&A for Prospective Customers

How long does it take to process the loan application?

Approximately 10 working days after you provide all needed information.

What are the costs associated with the loan?

- 1. Appraisal
- 2. Mortgage recording
- 3. Tax Service
- 4. Title insurance
- 5. Legal documentation
- 6. Escrow charges
- 7. Credit report

Who will bill me for payments?

One of the three central servicers associated with KMac will bill you for payments approximately 30 days prior to the payment due date. The three central servicers are:

- 1. Agri Access
- 2. CGB
- 3. Zions

Will I still deal directly with my bank?

Yes – your bank can make the initial contact with KMac for your servicing needs. A representative of KMac will contact you directly after the initial contact with your bank.

Can I prepay the loan at any time?

Most products allow open prepayment of the loan as long as the payment is received prior to the normal payment date of your loan on the first day of the scheduled month. If it is received after the first day of the month it will not be applied to the loan balance until the next scheduled payment date. If an extra principal payment is made it will not affect the amortization of the loan or scheduled payments. However the term of the loan will be reduced.

Can I lock in a rate prior to loan closing?

Yes – you can lock in the rate up to 30 days prior to loan closing. It is recommended that you wait until the loan is approved and the appraisal is ordered prior to locking in the rate.





What are the requirements for obtaining a loan through my bank and KMac?

You will need to provide a 1st mortgage on the real estate offered as collateral. Individuals and entities are eligible to borrow through this program. Guarantees of all individuals and entities involved will be required.

In addition you will need to meet these minimum loan standards:

Loan to value <70% of appraised value

Current ratio1.25:1Debt to asset ratio50% or lessTotal entity debt coverage ratio1.25:1Minimum credit score680

What loan amortizations are available?

You can choose any loan amortization up to 25 years. Facility loans may be limited to a shorter term.

Are there requirements to provide annual financial information after the loan is closed?

Possibly – Farmer Mac completes an annual credit scoring on all loans in their portfolio. If additional information is requested by Farmer Mac or an onsite inspection is required you will be contacted by a representative of your bank or KMac.

Why should I consider KMac?

- 1. Provide a long term fixed interest rate.
- 2. Preserve borrowing lines within your banks legal lending limit for operating and equipment purchase.