

How to be ready to apply for an FSA loan

Part 1

Review of Definitions

What is **financing**?

- Getting money to pay for things



Some kinds of financing:

- Savings
- Reimbursements
- Loans



Lending partner



Loan



Small business
(You)

Some kinds of financing:

- Savings
- Reimbursements
- Loans



Today we are learning about these kinds.

How to be ready to apply for an FSA loan

Part 2

Funding with the FSA

What is **Farm Service Agency**?

- Part of the United States government
- Often called “**FSA**”
- Helps farmers be successful



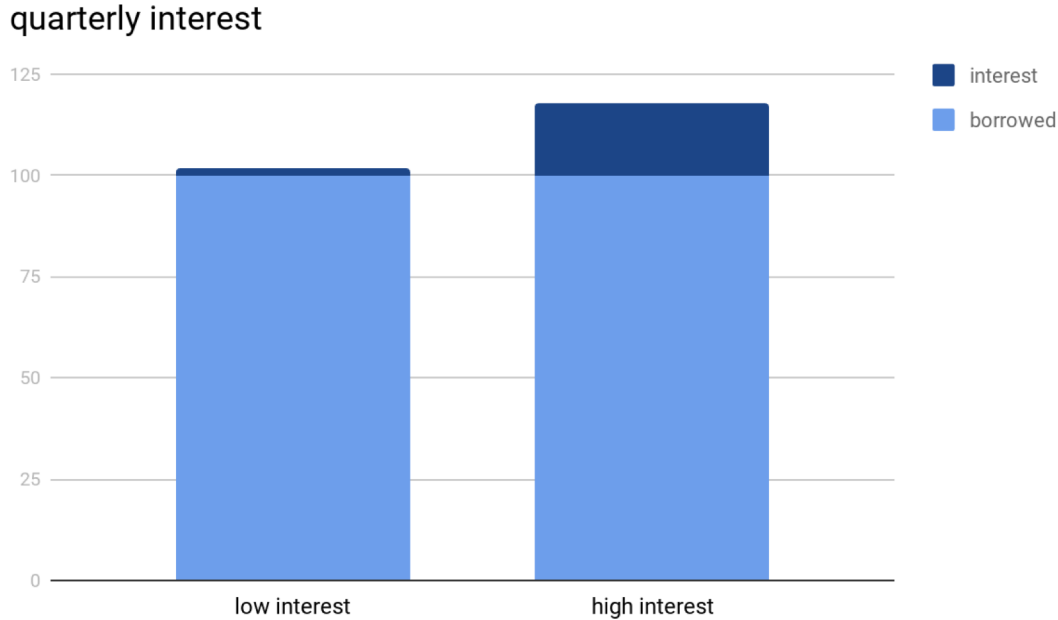
- It offers **Low Interest Loans**



Interest is the extra money you pay when you pay back borrowed money.

It is a fee you are paying the lender for the service of lending you the money. The lender says “Ok I will lend you this money, but you have to pay me back the money plus a fee.”

Basically, it looks like this:



If you have a high interest rate, you have to pay a higher percentage, a lot more money, on the amount you are borrowing.

If you have a low interest rate, you do not have to pay back much more than the amount you are borrowing-- just a small fee plus the amount you borrowed.

FSA has different categories for loans.

- Farm Purchase Loans
- Guaranteed Farm Loans
- Operating Loans
- Operating Micro Loans



We are only learning about these kinds.

Types of things to finance with Operating Loans:

- Farm business improvements
- Livestock purchase
- Equipment purchase
- Farm and Household Expenses
- Farm facilities improvements



All Photo Credits this page: Southside Community Land Trust, used with permission