



# TEXAS DEPARTMENT OF AGRICULTURE **COMMISSIONER SID MILLER**

## **TEXAS AGRICULTURAL FINANCE AUTHORITY INTEREST RATE REDUCTION AND FARMER INTEREST RATE REDUCTION LOAN APPLICATION FORM INSTRUCTIONS**

The Texas Agricultural Finance Authority (TAFA or the Authority) was created in 1987 (through enactment of House Bill 49 by the 70<sup>th</sup> Texas Legislature, 2d Called Session) as a public authority within the Texas Department of Agriculture. The Authority was established for the purposes of providing financial assistance for the expansion, development and diversification of production, processing, marketing and export of Texas agricultural products. Specifically, the Interest Rate Reduction Program is authorized by Tex. Agric. Code, Section 44.007, and the Farmer Interest Rate Reduction Program is established pursuant to Tex. Agric. Code, Section 58.072. Both programs are based upon a linked-deposit structure for pricing enhancement of agricultural and agriculture-related loans.

To apply, the Lender and Borrower must submit a signed original Interest Rate Reduction ("IRR") or Farmer Interest Rate Reduction ("FIRR") Loan Application, along with one copy of all credit and loan documentation to the Authority c/o the Texas Department of Agriculture ("TDA"). No one borrower may, at one time, have more than \$500,000 or \$1,000,000 in any loan or loans under the IRR or FIRR Programs, respectively.

If additional space is required for details to answer any questions, please use standard 8 1/2" by 11" paper, and place your name, phone number, name of Lender, and name of Borrower at the top of each page.

### **CONTACT INFORMATION FOR BORROWER SECTION**

Please include name(s), title(s), name of business, physical address, mailing address (if different from physical address), telephone, fax number, and e-mail address.

### **BORROWER'S SECTION**

#### **Select One:**

Interest Rate Reduction Program – The IRR program rate will be two percent (2%) below the lowest quote listed but in no event will the rate be lower than 1.5% per annum.

Farmer Interest Rate Reduction Program – The FIRR program rate will be three percent (3%) below the lowest quote listed but in no event will the rate be lower than 0.5% per annum.

1. "Current Employment" - The occupation or business which provides your primary source of income.
2. "Physical location of the project" - Include the street address, or if a rural location, the county name, written directions and a map.

3. Explain or describe your proposed project.
4. Self-Explanatory.
5. Self-Explanatory.
6. Estimate annual gross sales or return on investment, to the best of your knowledge, for each of the next three years.
7. "TOTAL IRR or FIRR AMOUNT REQUESTED" - Sum of the amounts listed in #7, the Loan limit is \$500k IRR and \$1million for FIRR.
8. "TOTAL PROJECT BUDGET" - Sum of proposed project funds from all sources.

## **CONTACT INFORMATION FOR LENDER'S SECTION**

Please include name(s), title(s), name of business, physical address, mailing address (if different from physical address), telephone, fax number, and e-mail address.

## **LENDER'S SECTION**

1. Self-Explanatory.
2. "Interest Rate Reduction Amount" - The amount of the time deposit requested from the Texas Comptroller of Public Accounts rounded to the nearest \$100.
3. "Estimated IRR or FIRR Program Rate" - Estimate the current interest rate for the deposit by referring to the money rates for U.S. Treasury Bills and Notes as published by the Wall Street Journal. When providing the estimate, use the maturity date closest to the loan's maturity, but no later than the end of the state's fiscal biennium (August 31 of each odd numbered year). The IRR program rate will be two percent (2%) below the lowest quote listed but in no event will the rate be lower than 1.5% per annum. The FIRR program rate will be three percent (3%) below the lowest quote listed but in no event will the rate be lower than 0.5% per annum. The final rate will be determined after the Application has been approved and the loan has been funded. Upon funding of the loan, the lender should contact the Texas Comptroller of Public Accounts-Treasury Operations, (512) 463-3146, to confirm the rate committed for the loan. Funds for the Comptroller's linked deposit will be wired to the lender when the borrower has advised the Authority that the loan has been funded.
4. "Margin of Interest to be Charged the Borrower" – The spread between the IRR or FIRR Program rate for the subject loan and the loan rate charged the Borrower. The spread may not be more than four (4) percentage points above the program rate for IRR and one (1) percentage point for FIRR.
5. "Market Rate for the Loan" - The sum of #3 and #4 above.
6. "Date of the Loan's Maturity and the Estimated Date of Final Payoff" - These dates will not necessarily coincide with the Program term. For longer term loans indicate the maturity date, even when it extends beyond the state's fiscal biennium.
7. "Lender's Federal Tax Identification Number and Routing Number" - Self Explanatory.
8. "Lender's Wiring Instructions" - If special wiring instructions for the Comptroller are necessary, describe them here. Please list a specific account number for the Linked Deposit. Instructions may be submitted under separate cover.

## APPLICATION SUBMISSION

It is preferred that this form be completed without signature, then emailed as an attachment to TDA. TDA staff will then distribute the document for electronic signatures by all parties. Alternatively, the form may be printed, signed and scanned to TDA.

Submissions: [economicdevelopment@texasagriculture.gov](mailto:economicdevelopment@texasagriculture.gov)

## AGREEMENT

Borrower and Lender's signatures on the IRR or FIRR Loan Application indicate Borrower and Lender's willingness to participate in the IRR or FIRR programs, and acceptance of the programs' requirements and regulations. Borrower and Lender will be required to follow any regulations that may be promulgated or amended during the term of any loan.

## CONTACT

**Texas Agricultural Finance Authority**  
c/o Texas Department of Agriculture  
P. O. Box 12847  
Austin, Texas 78711  
(512) 463-7428

Fraud Warning Disclaimer: Please be aware that certain individuals might approach you by falsely presenting themselves as representatives of the Texas Department of Agriculture (TDA). Under this false pretense, they might try to gain access to your personal information or to acquire money by claiming that they are contacting you on TDA's behalf. Such fraudulent offers and claims are usually received via email, text message, phone, etc. These claims and offers are fraudulent and invalid, and you are strongly advised to exercise great caution and disregard such offers and invitations. You will not be contacted by TDA or the government to request payment without specific need and communications from our office. Please report any attempts to defraud you to TDA's Grants Office immediately. You may also report fraudulent activity to the Office of the Texas Attorney General's Consumer Protection Division at <https://www.texasattorneygeneral.gov/consumer-protection/common-scams>.

**TEXAS AGRICULTURAL FINANCE AUTHORITY  
INTEREST RATE REDUCTION OR  
FARMER INTEREST RATE REDUCTION LOAN  
APPLICATION**

**Borrower Section**

Applicant

Contact:

First:

Last:

Title:

Name of Business:

Physical Address:

City:

ST:

Zip:

Mailing Address:

City:

ST:

Zip:

Telephone:

Fax

E-mail:

**Please check which one applies:**

**Interest Rate Reduction Program (IRR)**

**Farmer Interest Rate Reduction Program (FIRR)**

**(CPA use: FIRR funded through the Texas Agricultural Fund)**

1. Current Employment:
2. Physical location of project:
3. Explain or describe your proposed project (attach supplemental pages if additional space is needed):

4. This is a:      start-up business.      business expansion.

5. Number of current full-time employees:      Number of new full-time jobs to be created:

Number of part-time employees:      Number of new part-time jobs to be created:

6. Estimated annual gross sales or return on investment for each of the next three years

Year 1

Year 2

Year 3

7. Use of IRR or FIRR Proceeds:

Approximately

to purchase land.

to purchase or lease equipment.

to purchase seed and fertilizer.

for direct marketing facilities.

for processing facilities.

for professional services.

for

Total IRR or FIRR Loan Amount:(loan limit \$500k IRR and \$1million for FIRR)

Additional Equity (cash) Provided by Borrower:

Additional Loan(s) Provided by Lender:

Additional Loans Provided by Other (explain below):

Other sources of Capital/Equity (explain below):

Explanation:

8. TOTAL PROJECT BUDGET AMOUNT

AGREEMENT

I/We, the undersigned Borrower(s), understand and agree that all proceeds of this Interest Rate Reduction or Farmer Interest Rate Reduction loan must be used in the manner stated in the Borrower's section of this document and in the attached application materials and that any use of such funds contrary to these statements is a violation of law and this agreement.

I/We hereby affirm that the information in this document and any attached application materials are true and correct to the best of my/our knowledge. I/We agree to maintain accurate records on the project from the beginning and throughout participation. In consideration of approval for this loan, and while participating in the Interest Rate Reduction or Farmer Interest Rate Reduction Program, I/we agree to provide the Texas Agricultural Finance Authority, the Texas Department of Agriculture and the Texas Comptroller of Public Accounts information they may request on the project. I/We hereby agree to comply with any and all applicable IRR and FIRR rules and regulations, including any new rules or regulations that may subsequently be promulgated or amended during the term of any loan resulting from this application.

\_\_\_\_\_  
Signature of Borrower(s)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Borrower(s)

\_\_\_\_\_  
Date

Please complete form and email as an attachment to [economicdevelopment@texasagriculture.gov](mailto:economicdevelopment@texasagriculture.gov). TDA staff will then distribute the document for electronic signatures by all parties.

**TEXAS AGRICULTURAL FINANCE AUTHORITY  
INTEREST RATE REDUCTION OR  
FARMER INTEREST RATE REDUCTION LOAN  
APPLICATION**

**Lender Section**

**Lender Information:**

Name: First: \_\_\_\_\_ Last: \_\_\_\_\_  
Title: \_\_\_\_\_  
Bank/Business Name: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

**Loan Information Section**

1. Loan Number \_\_\_\_\_ ("TBA" if not yet assigned. Loan number must be provided prior to funding linked deposit.)
2. Interest Rate Reduction Amount \_\_\_\_\_
3. Estimated Program Rate \_\_\_\_\_ % (Treasury index minus 2.00% for IRR, 3.00% for FIRR)
4. Margin of Interest to Be Charged Borrower Over Program Rate \_\_\_\_\_ % (No greater than 4.0% for IRR and 1% for FIRR)
5. Market Rate for Loan \_\_\_\_\_ %
6. Date of Loan's Maturity and the Estimated Date of Final Payoff \_\_\_\_\_
7. Lender's Federal Tax ID Number: \_\_\_\_\_
8. Lender's Routing Number: \_\_\_\_\_
8. Lender's Wiring Instructions \_\_\_\_\_

(Wiring instructions may be provided under separate cover.)

Please complete form and email as an attachment to [economicdevelopment@texasagriculture.gov](mailto:economicdevelopment@texasagriculture.gov). TDA staff will then distribute the document for electronic signatures by all parties.

**AGREEMENT**

I, on behalf of the undersigned Lender, have reviewed \_\_\_\_\_'s (borrower's name) business plan, financial statements, loan documents and the Interest Rate Reduction and Farmer Interest Rate Reduction Loan Application for the proposed \_\_\_\_\_ (project description). By signing this agreement Lender agrees to comply with all rules governing the Interest Rate Reduction Program and/or Farmer Interest Rate Reduction Program and to provide Borrower the money on the terms and conditions described in the Lender's section of this document.

Lender agrees and understands that the Texas Agricultural Finance Authority, the Texas Department of Agriculture and/or the Texas Comptroller of Public Accounts are not liable to Lender for payment of principal, interest, late charges or any other sums on a loan made to a borrower under the IRR or FIRR programs, and that credit decisions involved in granting this loan were made solely by Lender.

\_\_\_\_\_  
Signature of Lending Officer

\_\_\_\_\_  
Date

Please complete form and email as an attachment to [economicdevelopment@texasagriculture.gov](mailto:economicdevelopment@texasagriculture.gov) . TDA staff will then distribute the document for electronic signatures by all parties.

**APPROVED BY:**

\_\_\_\_\_  
Deputy Commissioner, Texas Department of Agriculture

\_\_\_\_\_  
Date

\_\_\_\_\_  
Texas Comptroller of Public Accounts

\_\_\_\_\_  
Date