

Serving Montana Agriculture and growing prosperity under the Big Sky

Rural Assistance Loans

Rural Assistance Loan Program

The **Rural Assistance Loan Program** provides loans to producers with modest financial investments in agriculture. These loans finance agricultural enterprises to provide financial experience and assist in the economic growth and welfare of Montana agriculture. Rural Assistance Loans are available through the Agricultural Finance Program of the Montana Department of Agriculture.

Eligibility

Applicants must be at least 18 years of age and residents of Montana at the time of application. Loans are available to persons who are unable to qualify for financing from commercial lenders. However, the activity for which the loan is requested and the financial position of the applicant must show a positive cash flow and net worth.

The total value of an applicant's net worth, including those of spouse and minor children, cannot exceed \$450,000.

Loan Amounts & Purposes

The maximum loan amount is \$75,000 per individual. Borrowers may refinance loans up to the maximum of \$75,000. Loans are made up to 80% of the value of the collateral used to secure the loan. A 20% down payment or additional collateral may be required to meet this guideline.

Funds may be used to finance the following:

- **Agricultural property**, such as livestock and farm machinery;
- **Agricultural improvements**, such as barns or irrigations systems;
- **Annual operating expenses**; and
- **Agricultural land**.

Local Loan Committee

A two-member committee is required to review applications at the community level. The committee must be composed of a local financial officer and agricultural specialist such as a county extension agent or agricultural education specialist. The local committee makes recommendations to the applicant and department upon review of the financial feasibility of the proposed enterprise, as well as the eligibility and personal character of applicant(s).

How to Apply

[Download the Rural Assistance Loan Application Form \(pdf format\)](#) to get started. **A complete application must include the following:**

- [Completed Application Form](#)
- Review and signature from local committee
- Copies of the past two year's federal income tax returns
- A \$35.00 non-refundable application fee payable to the Montana Department of Agriculture

Additional information or documentation may be required at the discretion of the department. Final loan approval or denial will be determined by the Department of Agriculture Loan Committee.

[Download Rural Assistance Loan Application Form \(pdf format\).](#)

[Download Rural Assistance Loan terms and information about the Local Loan Committee \(pdf format\).](#)

Additional Requirements

Upon approval of a Rural Assistance Loan application, borrowers must agree to certain requirements:

- Cattle or horses that are used as collateral must be branded with a brand registered with the Montana Department of Livestock.
- Good records of production and expenses are required.
- Borrowers will pay the fees required to file, continue, or release financing statements, brand liens, and mortgages.
- Applicants may be required to establish a joint checking account with the Montana Department of Agriculture. Loan funds would be deposited in this account and used for financial transactions related to the loan.
- Comprehensive insurance or crop insurance may be required on secured or mortgaged property.
- For real estate loans, the Department of Agriculture requires a first mortgage position and title insurance in the name of the Department.
- A qualified appraisal may be required to determine the value of assets or collateral property.

[Download the additional terms for a Rural Assistance Loan \(pdf format\).](#)

Rural Assistance Loan Forms & Files

[Rural Assistance Loan Program: Additional Requirements](#)

[Rural Assistance Loan Program: Instructions & Application](#)

[Rural Assistance Loan Program: Loan Terms & Application Requirements](#)

Related Links

[Montana Rural Assistance Loan Program: Loan Terms](#)

[Montana Rural Assistance Loan Program: Additional Terms](#)

[Montana Rural Assistance Loan Program: Application](#)

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