

## ROSEBUD CONSERVATION DISTRICT LOAN GUIDELINES

1. Maximum loan will be \$50,000, with 0% interest rate.
2. Loans will be made to the nearest \$100, and shall not exceed the cost of the project, less any cost-share assistance.
3. Loans will only be available to finance conservation practices on agricultural land within the boundaries of the Rosebud Conservation District.
4. Loans will be limited to one loan per NRCS plan/ or NRCS Certified Project. (Multiple loans for one project are not available.)
5. District supervisors shall review and prioritize applications for feasibility, need and benefit, based on the conservation district's Strategic Plan. First time borrowers and group projects will have priority. Applications will not be accepted for loans on previously completed projects or on functional portions of a project.
6. Loans will NOT be allowed for reseeding Capability Class 6, 7, & 8 lands that have been converted after January 1, 1983.
7. Loans will be secured by real estate mortgages on all, or a portion of, land owned by the borrower on first and second mortgages, and on all land on third mortgages. Minimum security will be:
  - equity in property of equal value to the loan on first mortgages;
  - equity in property of one and one-half times the loan on second mortgages; and,
  - equity in property twice the amount of the loan on third mortgages with written consent from the first and second mortgage holders.
8. An administrative fee of three (3) percent of the total of the loan will be due at the time of closing.
9. Applicants shall apply through the Rosebud Conservation District Board of Supervisors. Applications will be accepted and reviewed at a regular Board meeting.
10. Applicants will be encouraged to become cooperators of the District.
11. Applicants will be notified of the action taken by the supervisors. Applicants whose applications are selected for district loan assistance will be required to furnish a resource conservation plan, approved by NRCS, showing the proposed project(s) and benefits. If no progress has been made toward utilizing an approved loan application within one year, the approval will be canceled.
12. Applicants will furnish the Board of Supervisors with a security information sheet specifying the land to be offered as security before the loan will be approved.
13. A Commitment for Title Insurance on the mortgaged land will be secured by the borrower at his expense, and furnished to the Supervisors BEFORE the loan will be finalized.
14. All costs incident to the loan and loan closing will be paid by the borrower.
15. The Conservation District will be responsible for the proper execution of security instruments and the filing of necessary documents. Filing fees will be paid by the borrower.
16. Loans will be paid to the applicant AFTER all financial and security statement requirements have been met, completion of the project or a functional portion of the project, NRCS certification, and paid at NRCS rate for the project. The loan will not be divided into more that three parts over a five year period.
17. Loan payment will begin December 15<sup>th</sup>, not less than six months following the closing date of the loan, all Loans acquired January 1<sup>st</sup> through June 30<sup>th</sup>, will have the first loan payment due December 15<sup>th</sup> of the same

calendar year, all loans acquired July 1st through December 31st, will have their first payment due December 15<sup>th</sup> of the following calendar year, and payments maybe spread over a ten (10) year period.

18. Pre-payments may be made at any time, in any amount, and shall be applied to installments last to become due but shall not affect the obligation of the borrower to pay the remaining installments as scheduled.
19. A one-time repayment deferral of one year may be granted for just cause upon the supervisors' discretion after a written request, from the borrower, has been received.
19. Payments not made within 30 days of the date they become due will be considered delinquent and will incur an 18% per year late payment penalty to be calculated on a daily basis to begin on the 31<sup>st</sup> day past due.
20. Failure to pay any debt when due, to meet the terms of any agreement, to maintain the project during the life of the loan, shall constitute default and the District, at its option, with or without notice, may declare all or any part of the debt immediately due and payable.
21. Prior to the sale or transfer of any property affected in any way by the loan agreement, any unpaid balance shall be repaid in full.
22. Any provision of the loan agreement may be modified or supplemented by written agreement between the District and the borrower.
23. Projects must be completed according to local NRCS Standards and Specifications. Applicants must submit a professional engineer design for streambank stabilization projects installed on the Yellowstone River or any other stream that NRCS does not have approval authority on.
24. The life of the project and components shall be the same as that of the term of the loan.
25. The borrower agrees to grant, to the supervisors or their designees, access easement to the mortgaged property.
26. District supervisors or their designees shall have the right to ingress or egress during the term of the loan to inspect the project.
27. Applicants will not be denied because of race, color, religious creed, political ideas, sex, age, marital status, physical or mental handicap, national origin or ancestry.
28. For any conservation practice that requires a water right, the applicant shall submit, with the application, documentation of said water right.
29. No-interest loan applications must be received in the office one week prior to the district board meeting. The meeting date is posted in the office and on the district website. Loan applicants MUST attend the district meeting or they will not be considered for funding.

***Applicant must sign and date these guidelines prior to loan approval.***

\_\_\_\_\_ ***Date*** \_\_\_\_\_