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**Rules of**  
**Department of Agriculture**  
**Division 100—Missouri Agricultural and Small Business**  
**Development Authority**  
**Chapter 2—Beginning Farmer Loan Program**

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**Title 2—DEPARTMENT OF  
AGRICULTURE**  
**Division 100—Missouri Agricultural  
and Small Business  
Development Authority**  
**Chapter 2—Beginning Farmer  
Loan Program**

**2 CSR 100-2.010 Definitions**

*PURPOSE: This rule states the meaning of terms used by the Agricultural and Small Business Development Authority in the Beginning Farmer Loan Program.*

(1) Agricultural development loan, agricultural property, authority, bonds, borrower, eligible borrower, insurer or guarantor, lender, pollution, pollution control facility(ies), small business, small business development loan and small business pollution control facility loan shall have the same meanings, respectively as are given in section 348.015, RSMo (1986).

*AUTHORITY: section 348.075, RSMo 1986.\* Original rule filed July 12, 1984, effective Oct. 11, 1984.*

*\*Original authority: 348.075, RSMo 1981, amended 1995, 1997.*

**2 CSR 100-2.020 Applicant Eligibility Requirements**

*PURPOSE: This rule sets forth the requirements which must be met by the applicant in order to be an eligible borrower for a loan under this program.*

(1) The following criteria must be met before making application for a loan through this authority:

(A) If an individual, the applicant must be a citizen of the United States or a person who has been legally admitted for permanent residence in the United States and is a resident of Missouri at the time of the loan application; and

(B) If a partnership, the principal partners or applicant must be citizens or permanent residents of the United States and residents of Missouri.

(2) The applicant must be a *bona fide* farmer or rancher—

(A) Doing business in Missouri either as an individual or partnership, who is recognized in the community as one whose chief occupation is farming or ranching; and

(B) Primarily and directly engaged in agricultural production or activity.

(3) The applicant must have a low or moderate net worth not to exceed one hundred fifty thousand dollars (\$150,000). The net worth of an applicant includes:

(A) If an individual—the individual, individual's spouse and minor children's net worth must be considered as the total net worth of the individual; and

(B) If a partnership—net worth must include the net value of the partners' capital accounts.

(4) The applicant must be unable to obtain a loan of equivalent terms from conventional sources without participation by the authority.

*AUTHORITY: section 348.075, RSMo 1986.\* Original rule filed July 12, 1984, effective Oct. 11, 1984.*

*\*Original authority: 348.075, RSMo 1981, amended 1995, 1997.*

**2 CSR 100-2.030 Time and Manner of Filing Application**

*PURPOSE: This rule sets forth the requirements for the time and manner of filing applications for loans under this program.*

(1) Any person desiring to participate in this program may apply at any time during the year.

(2) No application will be submitted for authority consideration until all information required by 2 CSR 100-2.020 has been provided.

(3) A complete application must be on file for at least twenty (20) working days prior to the authority meeting at which the application will be considered.

(4) The application shall be jointly executed by the applicant and the lender on forms provided by the authority.

(5) Three (3) complete copies of the application must be filed by the lender.

*AUTHORITY: section 348.075, RSMo 1986.\* Original rule filed July 12, 1984, effective Oct. 11, 1984.*

*\*Original authority: 348.075, RSMo 1981, amended 1995, 1997.*

**2 CSR 100-2.040 Fees**

*PURPOSE: This rule sets forth the fee structure for this program.*

(1) The authority will receive a nonrefundable fifty dollar (\$50) application fee submitted with the application.

(2) The authority will receive a program participation fee equal to one and one-half percent (1 1/2%) of the amount of the loan, but not less than five hundred dollars (\$500) upon loan closing.

(3) The lender shall collect the participation fee and remit it to the authority at the time of the loan closing.

(4) The participation fee may be financed with the loan.

*AUTHORITY: section 348.075, RSMo 1986.\* Original rule filed July 12, 1984, effective Oct. 11, 1984. Amended: Filed Feb. 15, 1991, effective July 8, 1991.*

*\*Original authority: 348.075, RSMo 1981, amended 1995, 1997.*

**2 CSR 100-2.050 Conditions for Execution of Agricultural and Small Business Development Authority Agreement**

*PURPOSE: This rule sets forth the conditions for execution of the loan agreement.*

(1) The proceeds of the Agricultural and Small Business Development Authority loan must be disbursed to the applicant and/or scheduled for disbursement immediately upon execution of the final agreement.

*AUTHORITY: section 348.075, RSMo 1986.\* Original rule filed July 12, 1984, effective Oct. 11, 1984.*

*\*Original authority: 348.075, RSMo 1981, amended 1995, 1997.*