

**25—4.1(175) Program summary.** The Iowa agricultural development authority (IADA) loan participation program for qualified farmers (hereafter referred to as “program”) is intended to assist lenders and qualified farmers (hereafter referred to as “borrower(s)”) by participating in a loan for the purchase of agricultural property. This chapter will be known as the IADA loan participation program.

**4.1(1) Supplement borrower’s down payment.** The participation can be used to supplement the borrower’s down payment so that the borrower can more readily secure a loan (the “participated loan”) from a participating lender (the “lender”).

**4.1(2) IADA’s last-in/last-out collateral position.** The program enables lenders to request a “last-in/last-out” loan participation (the “participation”) from the Iowa agricultural development authority (the “authority”). The lender, on behalf of the borrower, shall apply for the participation on application forms provided by the authority. The authority board and staff will review the application and make a determination regarding approval of a participation.

**4.1(3) Lender’s certification.** The lender and the borrower shall certify that:

*a.* The information included in the application and any other documents submitted to the authority for consideration is true and correct to the best of their knowledge.

*b.* Borrower is a low-income farmer who cannot obtain financing to purchase agricultural property without the assistance of a loan participation with the Iowa agricultural development authority.

*c.* No other state or private credit is available or can be obtained in a timely manner.

**4.1(4) Participation loan in conjunction with beginning farmer loan.** The loan participation program may be used in conjunction with the authority’s beginning farmer loan program, providing the borrower meets the criteria for both programs respectively. In these instances, the lender will have the borrower sign one promissory note to cover the loan funds to purchase the “aggie bond” as well as the down payment loan funds to be participated with the authority.