

# ***ALASKA RURAL REHABILITATION CORPORATION***

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Attached is the ARRC application and supporting documents. ARRC is a non-profit corporation dedicated to the permanent development of Alaskan agriculture.

## ***LOAN OPTIONS***

### **Chattel**

Loans are for capital purchases of new and used farm equipment.

### **Real Estate**

Loans for the purchase and improvement of real estate, capital structures and farm equipment used in an eligible customer's agricultural operation.

### **Future Farmers**

Loans for individuals who are 10-25 years of age. This category is for future farmers to gain a working knowledge of establishing a credit history. Maximum loan amount is \$5,000. Applicants must have a qualified co-signer.

### **Line of Credit**

Loans are for any farming use. Draw amount, plus accrued interest on the draw amount only, is due one year from draw date. Loan terms are offered up to five years with real estate as collateral (REM) and up to three years when secured by chattel (CH).

<b><u>Loan Type</u></b>	<b><u>Interest Rate</u></b>	<b><u>Maximum Term</u></b>
Chattel	6% - 9%	7 years
Real Estate	6% - 9%	20 years
Future Farmers	6% - 9%	5 years
Line of Credit	6% - 9%	5 years

## **Application Requirements**

Loan applications must be submitted on ARRC forms. ***Required information provided on forms other than those provided by ARRC are subject to ARRC Manager review.*** Applications are processed and reviewed by the ARRC Manager. Completed applications are submitted to the

Board of Directors for consideration.

### **Eligibility**

Loans may be made to individuals, partnerships, joint ventures, corporations or other business entities. A resume of agricultural and other business experience with evidence of necessary related skills and training is required. Proof of current Alaska residency must be provided by all applicants at closing.

### **Conditions**

Loan funds may only be used for agricultural purposes. Loans may not exceed 70% of the value of the collateral, less existing liens.

### **Collateral**

Loans must be secured by collateral as appraised by ARRC. Collateral may include equipment, machinery, land, improvements, boats, motor homes, vehicles, etc. ARRC does not accept animals or crops as collateral. All-peril insurance naming ARRC as loss payee is required on all collateral. ARRC must be in first lien position on all collateral. Credit life insurance may be required, but is not offered by ARRC.

### **Payment Terms**

Loan terms, including payment terms, will be based on applicant's ability to service the loan. Payment terms may be monthly, quarterly, semi-annual, annual, or variable.

### **Rates & Fees**

Interest rates are comparable to rates charged by other Alaska agricultural lenders and are established by the Board of Directors. A non-refundable \$100 application fee, which will include a credit report, and an origination fee of 0.0025% of loan amount. Other costs may include preliminary title report (\$250), UCC-1 fees (\$20 per filing), recording fees, and any other costs that are required to properly place ARRC in first lien position. All lien fees will be at borrower's expense.

ARRC will seek to loan to individuals without regard to race, color, creed, religion, sex, national origin, disability, age, or marital status.

***Terms, conditions and rates subject to change without notice.***

# ***ALASKA RURAL REHABILITATION CORPORATION***

## **Application Checklist**

Name \_\_\_\_\_

The following documents and information are required before a loan application may be presented to the Board of Directors for consideration. Other supporting documentation may be required.

_____	Loan application signed in ink by all who intend to sign on loan. Must include anyone with 10 percent interest or more
_____	Application fee of \$100
_____	Current three years tax returns individual, corporate, partnership, etc., as applicable, including all schedules
	Tax years _____ _____ _____
_____	List of collateral including a complete description of property and/or equipment with date of acquisition, original cost, market value, location, existing liens, and serial numbers
_____	Five-year operating plan
_____	Current balance sheet of all applicants, signed
_____	Annual Income and Expense Statement for this year signed and dated. Projected statements may be required
_____	Consent To Release Financial Information
_____	Amount of loan funds requested and letter of intent with detailed description of proposed use of funds and detailed plan for repayment

_____	Summary of agricultural experience, business history and education, with references, for each applicant
_____	If a corporation, a current certificate of good standing in Alaska from Alaska Department of Commerce and a corporate resolution authorizing the corporation to borrow from ARRC
_____	If partnership or joint venture, appropriate agreement and proof of the authority to borrow from ARRC
_____	If a sales transaction, a copy of purchase agreement
_____	Bank verification forms: <b>Please provide a statement of all bank/ retirement account balances at the time of application</b>
_____	Past two pay stubs (if applicable) for all applicants.
_____	If Child Support include last statement
_____	If applicable, statements of bankruptcies or credit explanations

# ***ALASKA RURAL REHABILITATION CORPORATION***

## **Loan Application**

### **APPLICANT:**

Name _____	DOB _____	S.S. No. _____
Married _____	Unmarried _____	No. of Dependents _____
Ages _____		
Residence Address _____	Telephone No. _____	
Mailing Address _____	Fax No. _____	
City _____	State _____	Zip _____
Cell Phone _____		
E-mail Address _____	Work Phone _____	
Employer _____	How long? _____	
Employer's Address: _____	Employer's Phone No. _____	
Occupation/Position _____	Monthly Income _____	
Resident of Alaska since Month/Year _____	Other Income _____	
Driver's License No _____		

### **CO-APPLICANT:**

Applicant need not complete this section unless this loan will be secured by property co-owned with co-applicants and they will be jointly responsible, or if you are relying on your co-applicant's income to repay this loan.

Name _____	DOB _____	S.S. No. _____
Married _____	Unmarried _____	No. of Dependents _____
Ages _____		
Residence Address _____	Telephone No. _____	
Mailing Address _____	Fax No. _____	
City _____	State _____	Zip _____
Cell Phone _____		
E-mail Address _____	Work Phone _____	
Employer _____	How long? _____	
Employer's Address _____	Employer's Phone No. _____	
Occupation/Position _____	Monthly Income _____	
Resident of Alaska since Month/Year _____	Other Income _____	
Driver's License No _____		



**FORM OF BUSINESS:**

☐ Sole Proprietorship ☐ Partnership (copy of Partnership Agreement and authority to borrow)

☐ Corporation (Certificate of Good Standing and Corporate Resolution with authority to borrow)

If partnership or corporation, list partners, officers, on separate page:

Name of Corporation \_\_\_\_\_

Date Incorporated \_\_\_\_\_ AK ID No. \_\_\_\_\_ TIN \_\_\_\_\_

Present Farm Operated: \_\_\_\_\_ Year began farming \_\_\_\_\_

Location \_\_\_\_\_

	Acres Owned	Acres Rented	
Tillable	_____	_____	
Other	_____	_____	Total Acres _____

Landlord Name \_\_\_\_\_

Address \_\_\_\_\_

Lease Expires \_\_\_\_\_, 20\_\_\_\_ Annual Cash Rental \$ \_\_\_\_\_

Share Percentages % \_\_\_\_\_

Major products sold \_\_\_\_\_

List contracts for Sale of Products, to whom and terms of contract on separate page if necessary.

Have you had any judgments against you or any debt forgiven? No \_\_\_ Yes \_\_\_

Have you ever filed Bankruptcy? No \_\_\_ Yes \_\_\_ Date \_\_\_\_\_ Status \_\_\_\_\_

Do you pay child support? No \_\_\_ Yes \_\_\_ Include statements of explanation on separate page.

**LOANS REQUESTED AT THIS TIME:**

Type	Amount Requested	No. of Years	Specify monthly, quarterly, annual payments beginning when
Operating		1	
Chattel			
Real Estate			
Future Farmer			
Line of Credit			

**USE OF LOAN PROCEEDS:** Describe what you plan to do with the loan funds. Please detail crop expenses for seed, fertilizer and other working capital needs. Include copies of appropriate purchase agreement, cost estimates, plans, bids and pictures to describe the items purchased or built. Attach additional page if necessary.

**FUTURE BORROWING NEEDS:** Describe projected requirements that are not included in this request for a loan. Attach additional page if necessary.

Type of loan requested \_\_\_\_\_  
Projected date funds needed \_\_\_\_\_  
Amount of funds requested \_\_\_\_\_  
Purpose of loan funds \_\_\_\_\_

**SUMMARY OF PREVIOUS EXPERIENCE:** Briefly summarize your experience and training in agriculture and business. The summary should provide adequate information to assess your management capabilities. Attach additional page if necessary.

**REFERENCES:** Two personal and two business related.

Name	Address/Phone Number	Relationship to Applicant
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

The undersigned certifies under penalty of perjury that the information provided is complete and accurate to the best of their knowledge, and understands that a false statement of report of facts material to the approval of a loan, knowingly made, may subject the maker to liability. The undersigned also agrees that whether or not the loan is closed all such title expenses shall be paid by applicant. The undersigned hereby authorizes any institution to release credit/financial/employment information to ARRC. *All signatures must be signed in ink.*

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date

# ***ALASKA RURAL REHABILITATION CORPORATION***

## **List of Collateral**

<b>Legal Description Equipment Make, Model, Yr.</b>	<b>Serial Number</b>	<b>Location</b>	<b>Purchase Date</b>	<b>Original Cost</b>	<b>Market Value</b>	<b>Existing Liens</b>
<b>TOTAL</b>					<b>\$</b>	<b>\$</b>



# ***ALASKA RURAL REHABILITATION CORPORATION***

## **Five-Year Operating Plan**

If applicable, include production and acreage figures per year for the next five years, plus projected borrowing needs.

20_____

20_____

20_____

20_____

20_____



# ALASKA RURAL REHABILITATION CORPORATION

## Balance Sheet

Name \_\_\_\_\_ as of (date) \_\_\_\_\_

### ASSETS

### LIABILITIES

Cash/checking balance		Current liabilities payable within 12 months	
Savings account/CD's		Accounts payable	
Marketable securities			
Accounts receivable		Operating loans	
Current portion notes receivable		Accrued rent/taxes	
Products on hand <b>Schedule A</b>		Accrued interest	
Growing crops <b>Schedule B</b>			
Marketable livestock <b>Schedule C</b>		Principal portion (due within 12 months)	
Prepaid expenses		Current portion intermediate-term loans	
Supplies			
Other:		Current portion long-term loans	
		Other:	
<b>TOTAL CURRENT ASSETS:</b>	<b>\$</b>	<b>TOTAL CURRENT LIABILITIES:</b>	<b>\$</b>

Machinery/equipment <b>Schedule E</b>		Creditor	Security	Term	Annual payment	
Portable irrigation equipment						
Personal & recreational vehicles						
Production livestock <b>Schedule D</b>						
Notes receivable						
Retirement accounts		Life insurance policy loans				
Cash value of life insurance		Other:				
Household & personal goods						
Other:						
		Total intermediate-term annual payments:				
<b>TOTAL INTERMEDIATE ASSETS:</b>	<b>\$</b>	<b>TOTAL INTERMEDIATE LIABILITIES:</b>				<b>\$</b>

Real estate: <b>Schedule F</b>		Liens on real estate: <b>Schedule F</b>	
Notes & contracts receivable		Other Creditors:	Term      Annual payment
Other:			
		Total long-term annual payments:	
		<b>TOTAL LONG-TERM LIABILITIES:</b>	
<b>TOTAL LONG-TERM ASSETS</b>	<b>\$</b>	<b>TOTAL LIABILITIES:</b>	
<b>TOTAL ASSETS:</b>	<b>\$</b>	<b>NET WORTH:</b>	

The undersigned certifies under penalty of perjury that the information provided in the above financial statement is complete and accurate to the best of their knowledge, and understands that a false statement of report of facts material to the approval of a loan, knowingly made, may subject the maker to liability.

Signature

Date

Signature

Date

**Schedule A – Products on Hand**

S=Sale U=Use

**Schedule B – Growing Crops**

C=Cash Investment M=Measure

Product	Quantity	Price	S or U	Value	Crop	Acres	Price	C or M	Value
TOTAL				\$	TOTAL				\$

**Schedule C – Marketable Livestock****Schedule D – Production Livestock**

Breeding, Dairy, etc.

Number	Kind	Price	Value	Number	Kind	Price	Value
TOTAL				TOTAL			\$

**Schedule E – Machinery and Equipment**

Supply lien holder's name and amount of lien on separate page if necessary.

Year	Make	Model	Item	Serial Number	Condition	Value
TOTAL						\$

**Schedule F – Real Estate** Attach separate page if necessary.

Description / Acres	Date / Cost	Lien Holder / Lien Amount	Payment	Value
TOTAL		\$	\$	\$



# ALASKA RURAL REHABILITATION CORPORATION

## Annual Income & Expense Statement

NAME \_\_\_\_\_

PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

### FARM INCOME

Product	Units	Value
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. Government payments		_____
7. Total Farm Income (1 thru 6)		\$ _____

### FARM EXPENSES

8. Feeder livestock purchased		_____
9. Feed purchased		_____
10. Livestock expense		_____
a. Breeding	_____	
b. Veterinary	_____	
c. Other	_____	
11. Seeds and plants purchased		_____
12. Fertilizer, lime and chemicals		_____
13. Supplies		_____
14. Hired labor (gross wages)		_____
15. Machine hire		_____
16. Machinery & equipment (maintenance & repair)		_____
17. Fuel & lubrication		_____
18. Freight and trucking		_____
19. Building maintenance & repair		_____
20. Marketing expenses		_____
21. Storage, warehousing		_____
22. Rents and leases		_____
23. Utilities		_____
24. Property taxes		_____
25. Insurance		_____
26. Interest paid		_____
a. Term loans	_____	
b. Other	_____	
27. Other expenses		_____
28. TOTAL FARM OPERATING EXPENSES [8 thru 27]	\$ _____	
29. Depreciation	_____	
30. TOTAL FARM OPERATING EXPENSES [28 + 29]		\$ _____
31. NET FARM INCOME [7 minus 30]		\$ _____

31. NET FARM INCOME [from page 1]	\$ _____
32. Gain (loss) on disposal of capital assets	_____
33. NET FARM EARNINGS, AFTER GAIN (LOSS) (31 minus 32)	\$ _____

**NON-FARM INCOME**

34. Salary/wages	_____
35. Alaska Permanent Fund Dividend	_____
36. Rental income	_____
37. Retirement income	_____
38. Unemployment	_____
39. Interest & dividends	_____
40. Other _____	_____
41. TOTAL NON-FARM INCOME [34 thru 40]	\$ _____
42. TOTAL NET EARNINGS [33 + 41]	\$ _____

**ANNUAL PAYMENTS**

43. Income & Social Security taxes	_____
44. Family living expenses	_____
45. Credit card	_____
46. Real estate	_____
47. Farm equipment	_____
48. Insurance	_____
49. _____	_____
50. _____	_____
51. _____	_____
52. _____	_____
53. _____	_____
54. TOTAL ANNUAL PAYMENTS [43 thru 53]	\$ _____
55. EARNED NET WORTH [42 minus 54]	\$ _____

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





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### **CONSENT TO RELEASE OF FINANCIAL INFORMATION**

Dated: \_\_\_\_\_

TO WHOM IT MAY CONCERN:

As a part of considering a loan, Alaska Rural Rehabilitation Corporation (ARRC) may verify information contained in the application and other documents required in connection with the request.

This authorizes all banks, financial institutions, businesses, employers, credit reporting agencies and any other businesses to which I am indebted or have assets located, to provide information for verification purposes concerning my finances and assets, without liability, to ARRC.

The information ARRC obtains is only to be used to process the request for a loan. A copy or facsimile of this authorization may be accepted as an original.

Name(s) \_\_\_\_\_

Address \_\_\_\_\_

You are further requested not to disclose such information to any other person without written authority to do so.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## ***ALASKA RURAL REHABILITATION CORP.***

1\907-745-3390 Voice    1\907-746-3555 Fax

### **ARRC Privacy Notice**

#### Our Commitment:

ARRC (Alaska Rural Rehabilitation Corporation) is committed to protecting and respecting the privacy of our customers. We will strive to maintain your privacy and ensure the confidentiality of the information you submit to us.

#### Information We Collect:

We collect and retain information about you when we reasonably believe that the information will assist us in providing quality loan products, borrower benefit and services to you and in managing your account(s). One of the main reasons we collect certain information is to protect your account(s) and to identify you. The information we collect will also be used to comply with the laws and regulations that may apply to us as well as in helping us improve our loan products, borrower benefits and services. We collect nonpublic personal information about you from the following sources:

- # Information we receive from you on an application or other forms;
- # Information about your transactions with us or others; and
- # Information we receive from a consumer reporting agency,
- # Information we receive from non affiliated third parties, as authorized by you.

#### Information We Disclose:

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law, or as authorized by you.

#### Security:

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or service to you. We maintain physical, electronic and procedural safeguards that comply with federal regulation to guard your nonpublic personal information.