

**ACTION:** Consider one Application for a Beginning Agricultural Producer Loan

**Timothy Thomas Redmon and Katheryn Lee Redmon  
Lyman, Wyoming**

**AUTHORITY:** W.S. § 11-34-107; State Loan and Investment Board Rules, Chapter 7

**ANALYSIS:**

The applicants have requested a loan in the amount of \$283,500. The loan funds will be used to purchase 135 acres of gravity irrigated meadow and pasture land. In addition, the applicants are requesting to finance \$2,835 to cover the 1% origination fee. The applicants meet the eligibility requirements to be considered beginning agricultural producers.

The applicants would grant the Board a mortgage on 135 acres of land. The appraised value of the 135 acres is \$405,000. In appraising the land, five land sales from December 2013 through September 2016 were analyzed. The indicated value used for the subject property is \$3,000 per acre.

Including the purchase of this property, the applicants' financial statements show owner's equity of 47%, a projected net operating margin of 49%, and positive cash flow. Analysis of the applicants' current financial position and credit history provide support for this loan.

The appraisal of the properties indicates that adequate value exists to secure a Beginning Agricultural Producer Loan in the amount of \$283,500 which is approximately seventy percent of the appraised value. The State will have a first mortgage position on the properties.

W.S. § 16-4-203 (d) of the Public Records Act provides, "the custodian shall deny the right of inspection of the following records, unless otherwise provided by law: (xiv) Information concerning an agricultural operation, farming or conservation practice...if the information was provided by an agricultural producer or owner ...to participate in a program of the state...". In accordance with this statutory provision, information relating to the applicant's financial information and analysis is not included in this document. Information may be reviewed by the Board upon request.

**DIRECTOR'S RECOMMENDATION:**

The Director recommends approval of a Beginning Agricultural Producer Loan in an amount up to \$283,500 for a thirty year term. This amount includes \$280,665 for the purchase of the land, and \$2,835 to cover the 1% origination fee. The interest rate for the loan for the initial ten years shall be the lower of 8% or the average yield on a ten year US Treasury Bond for the previous year, rounded to two decimals. This estimated rate at the date of loan closing is +/-2.4%. At the end of ten years, the interest rate shall be 8%.

**BOARD ACTION:** Board Approved