



**FARM CREDIT SERVICES OF HAWAII, ACA
Federal Land Bank Association of Hawaii, FLCA
Hawaii Production Credit Association**

FACT SHEET

Part of the Farm Credit System a Nationwide Network of Agricultural Lending Institutions comprised of the Federal Land Banks, Production Credit Associations and Bank for Cooperatives and doing business since 1917. Associations of the Farm Credit Systems are private lending institutions.

The Federal Land Bank Association of Hawaii, FLCA (FLBA) specializes in long term financing for the following purposes: purchase open farmland, purchase farmland and improvements, refinancing existing mortgages, construction financing of dwellings, farm labor houses, development of orchards, irrigation systems, farm roads, reservoirs, fiberglass greenhouses, saran shadehouses, medical expenses, etc. We have Variable and Fixed rates up to five years. Repayment could be scheduled monthly, quarterly, semiannual or annually. Loan term is usually for 30 years, fully amortized. The loan to value requirement for loans below 1 million dollars ranges from 65% to 75% of appraised value depending on financial strength of applicant. For loans above 1 million dollars the loan to value requirement is 60% or less depending on the financial strength of the applicant. Loan surcharge is 1.00% of the loan amount for loans under \$500,000 and .75% for loans over \$500,000, escrow fees, appraisal cost and \$1,000 or 2% of the loan, whichever is less in Capital Stock. Stock ownership requirements are usually built into the loan.

The Hawaii Production Credit Association, (HPCA) specializes in short term agricultural financing. HPCA loan purposes are as follows: line of credit financing, accounts receivable financing, livestock purchase, feed purchase, operating loans, equipment financing, fishing vessel financing, etc. Repayment is usually based on the commodity financed and type of financing. We have Variable, Fixed and Prime Rate Interest programs. Loan terms generally are from one year to a maximum of ten years. There is a loan processing fee, and in some instances escrow fees and appraisal fee. The Stock requirement is \$1,000 or 2% of the loan, whichever is less.

The Farm Credit System is owned by its borrowers and this cooperative structure help to assure that credit will be available during good times and bad. The stock purchase is vested in the name of the borrower and retired as loan principal is repaid. While the stock is at risk, the association presently have ample surplus to protect the stock that is being issued.

Both associations are authorized to process Equipment Leasing applications for the Farm Credit Leasing Services. Please inquire about fleet purchases of automobiles and trucks direct from the factory.

Both associations pay Loan Referral Fee of .75% of the loan amount not to exceed \$4,500. All you have to do is refer an applicant to the association and if the loan is made a referral fee will be paid. Loans subject to the Real Estate Settlement Procedures Act (RESPA) are not eligible for a fee. Usually RESPA pertains to farmland with a dwelling.

