

ALASKA RURAL REHABILITATION CORPORATION

248 E. Dahlia Ave. Palmer, AK 99645
(907) 745-3390 Voice (907) 746-3555 Fax
E-mail: admin@arrc.us
Website: www.arrc.us

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).

Loan Type	Interest Rate	Maximum Term
Chattel	5% - 9%	7 years
Real Estate	5% - 9%	20 years
Future Farmers	5% - 9%	5 years
Line of Credit	5% - 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, is required. Other costs may include preliminary title report (\$250), UCC-1 fees (\$20 per filing), and any other costs that are required to properly place ARRC in first lien position. All lien fees will be at borrower's expense. ***Loan terms are offered with one-year review of interest rates.*** If you have any questions, please contact ARRC.

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.