



OFFICE OF THE COMMISSIONER

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE  
ST. PAUL 55101

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ST. PAUL, MN 55101

1986 FAMILY FARM ASSISTANCE ACT  
FARM LOAN INTEREST BUYDOWN PROGRAM  
REPORT

OCTOBER 31, 1986

MICHAEL A. HATCH  
Commissioner of Commerce

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I. Executive Summary

During the 1986 Legislative Session an extension of the interest buydown was passed. On March 21, 1986 Governor Rudy Perpich signed into law the Minnesota Family Farm Assistance Act.

There were several significant changes to the interest buydown program. These changes made the program more attractive to farmers and lenders by allowing a broader range of debt to qualify for the subsidy.

During the first seven days of program operation, the \$5,000,000 appropriation was exhausted. This appropriation funded about 1,400 subsidy applications and hundreds of applications were returned. On April 26, 1986 Governor Perpich announced that the program was being reopened. As of October 31, 1986, a total of nearly 6,400 applications have been accepted and processed for a total approved interest subsidy of \$18,699,488. A deficiency appropriation of about \$14,000,000 will be needed when the legislature convenes in January.

The large increase in participation would indicate that the continued decline in the agricultural economy has allowed more farm operators to qualify for the program, and that lenders and borrowers have found the State farm loan interest buydown to be of value in dealing with the ongoing farm credit crisis.

## II. Program Overview

Participation in the 1985 Emergency Farm Operating Loan Act did not meet original projections even after several amendments. The 1986 Family Farm Assistance Act broadened the program to encourage greater participation by lenders. Program 2 participation was significantly increased. As of October 31, 1986, applications for assistance had been received on 6,400 loans.

Program 1 which provides payments of interest on existing farm operating and farm ownership loans was continued in the same form as the 1985 program. There were, however, several important changes to Program 2.

1. The definition of operating loans" was changed to include "original, extended, renegotiated loans or lines of credit." This change means that loan balances from prior years and chattel line of credit loans may be refinanced to qualify.
2. Loans may be written or rewritten between January 1, 1986 and December 31, 1986 and may have a maturity date up to July 1, 1987.
3. The maximum loan amount which qualifies was raised to \$100,000.
4. State participation in the buydown was changed to 37.5 percent of the contract rate up to the Commissioner's index rate. This maximum is set at the monthly FICB rate plus 3 percent. The farm

borrower pays 50 percent of the contract rate and the lender absorbs 12.5 percent. To be eligible, farmers must have a debt to asset ratio greater than 50 percent.

These changes made the program more attractive to both farmers and lenders by allowing a wider range of debt to qualify for the subsidy. This, along with the continued downward trend in the agricultural economy, reduced federal assistance, and greater familiarity with the program, substantially increased participation. The number of participating financial institutions more than doubled to over 400. More than 6,400 applications have been approved. The original appropriation of \$5,000,000 was used in the first seven days of program operation, and at October 31, 1986 a deficiency appropriation of nearly \$14,000,000 is needed.

III. PROGRAM STATISTICS - OCTOBER 1986

Program #1 Applications		22
Total Dollar Amount Encumbered for Interest		\$17,711
Program #2 Applications		6,376
Total Dollar Amount Encumbered for Interest		\$18,699,379
Total Applications		6,400
Total Interest Encumbered		\$18,711,481
Total Principal Borrowed:	Actual	\$450,575,996
	Subsidized	\$391,111,260
Average Subsidized Loan Amount		\$61,583
Average Interest Encumbered		\$2,946

Breakdown of Principal Amount Subsidized

Number of applications with principal from	0 - \$20,000	921	14%
	\$20,001 - \$40,000	1,199	19%
	\$40,001 - \$60,000	1,158	18%
	\$60,001 - \$80,000	753	12%
	\$80,001 - \$100,000	2,343*	37%

\*This figure includes 757 applications which the actual principal borrowed exceeded \$100,000.

LISTING OF FINANCIAL INSTITUTIONS PARTICIPATING IN THE PROGRAM

<u>Name and Address</u>	<u>Number of Applications</u>
<b>AGRICULTURAL CREDIT COMPANIES</b>	
Mid Minnesota Credit Corp. Albany, MN 56307	1
Northern Credit Company Bertha, MN 56437	20
Bonanza Valley Credit Corporation Box 400, Brooten, MN 56316	3
<b>NUMBER OF AGRICULTURAL CREDIT COMPANIES = 3</b>	
<b>APPLICATIONS FROM CREDIT COMPANIES</b>	<b>24</b>

Name and AddressNumber of Applications

## CREDIT UNIONS

Dawson Co-op Credit Union  
687 6th Street, Box 109M, Dawson, MN 56232

1

Renville Farmers Co-op Credit Union  
218 North Main, Renville, MN 56284

38

NUMBER OF CREDIT UNIONS = 2  
APPLICATIONS FROM CREDIT UNIONS

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39

## NATIONAL BANKS

Stearns County National Bank of Albany  
P.O. Box S, Albany, MN 56307

35

Norwest Bank Albert Lea, N.A.  
122 East Main Street, Albert Lea, MN 56007

21

First National Bank in Alexandria  
701 Broadway, Alexandria, MN 56308

1

Security National Bank  
P.O. Box 116, Amboy, MN 56010

4

The First National Bank of Barnesville  
P.O. Box 159, Barnesville, MN 56514

7

First Bank Benson, NA  
Benson, MN 56215

13

First National Bank of Bertha-Verndale  
P.O. Box 188, Bertha, MN 56437

10

First National Bank  
P.O. Box 337, Blooming Prairie, MN 55917

34

First National Bank of Blue Earth  
306 South Main, Blue Earth, MN 56013

1

First American Bank of Brandon  
P.O. Box 68, Brandon, MN 56315

1

Minnesota Bank  
Caledonia, MN 55921

2

Name and AddressNumber of Applications

Sprague National Bank  
Caledonia, MN 55921

4

First National Bank of Cannon Falls  
Cannon Falls, MN 55009

19

First National Bank  
165 Broadway Avenue, Cokato, MN 55321

1

First National Bank of Detroit Lakes  
Detroit Lakes, MN 56501

1

First National Bank of Elbow Lake  
Elbow Lake, MN

14

The First National Bank of Elmore  
Elmore, MN 56027

5

Martin County National Bank  
Fairmont, MN

26

The Fairmont National Bank  
Fairmont, MN 56031

6

Norwest Bank Faribault, N.A.  
Faribault, MN 55021

27

First National Bank of Fergus Falls  
120 North Mill, Fergus Falls, MN 56537

1

Norwest Bank Fergus Falls, N.A.  
220 West Washington, Fergus Falls, MN 56537

14

First National Bank of Henning  
Henning, MN

12

First National Bank of Herman  
P.O. Box 189, Herman, MN 56248

14

First National Bank in Jackson  
509 3rd Street, Jackson, MN 56143

67

Name and AddressNumber of Applications

First National Bank of Kiester P.O. Box 68, Kiester, MN 56051	23
The Lake Crystal National Bank 202 North Main, Lake Crystal, MN 56055	39
First National Bank of Le Center 30 West Minnesota, Le Center, MN 56057	32
Valley National Bank 112 South Main Street, Le Sueur, MN 56058	9
First National of LeRoy Le Roy, MN 55951	1
First Bank Central, N.A. P.O. Box 882, Litchfield, MN 55355	22
Norwest Bank Litchfield, N.A. P.O. Box 761, Litchfield, MN 55355	3
First National Bank of Long Prairie Long Prairie, MN 56347	8
First National Bank of Mabel P.O. Box 367, Mabel, MN 55954	9
Klein National Bank Madison, MN	26
First National Bank of Mankato 204 South 2nd, Mankato, MN 56001	1
Norwest Bank Mankato, N.A. P.O. Box 168, Mankato, MN 56001	15
Norwest Bank Marshall, N.A. 400 West Main, Marshall, MN 56258	21
The First National Bank of McIntosh McIntosh, MN 56556	1

Name and AddressNumber of Applications

The First National Bank of Milaca Milaca, MN 56353	29
First Bank Southwest, N.A. Minneota, MN	3
The Farmers National Bank of Minnesota Lake Minnesota Lake, MN 56068	5
First National Bank in Montevideo P.O. Box 658, Montevideo, MN 56265	53
Norwest Bank Montevideo P.O. Box 698, Montevideo, MN 56265	8
First National Bank 401 - 1st Street South, Montgomery, MN 56069	7
Peoples National Bank - Mora Mora, MN 55051	21
Norwest Bank Northfield P.O. Box 139, Northfield, MN 55057	8
First National Bank of Osakis Osakis, MN 56360	44
Norwest Bank Owatonna, N.A. 101 North Cedar Street, Owatonna, MN 55060	17
Citizens National Bank Park Rapids, MN	3
Northwoods Bank of Park Rapids Park Rapids, MN 56470	1
First National Bank P.O. Box 428, Plainview, MN 55964	32
Norwest Bank - Red Wing Red Wing, MN 55066	3

Name and AddressNumber of Applications

The Goodhue County National Bank Red Wing, MN 55066	21
Norwest Bank Redwood Falls, N.A. P.O. Box 439, Redwood Falls, MN 56283	10
First Bank Rochester Rochester, MN	
Norwest Bank Rochester, N.A. 21 1st Street West, Rochester, MN 55903	17
National Bank of Rushd Rushd, MN 55971	5
First National Bank 235 Main Street, Sauk Centre, MN 56378	28
Norwest Bank Sauk Rapids, N.A. 115 South 1st Street, Sauk Rapids, MN 56379	7
The First National Bank of Shakopee Shakopee, MN 55379	2
Norwest Bank South St. Paul South St. Paul, MN 55075	16
The First National Bank of St. Charles St. Charles, MN 55972	10
First American National Bank of St. Cloud St. Cloud, MN 56301	6
First National Bank at St. James St. James, MN	19
St. Martin National Bank St. Martin, MN 56376	5
First National Bank St. Peter, MN	20

Name and AddressNumber of Applications

First National Bank P.O. Box 368, Starbuck, MN 56381	5
First National Bank of Stewartville Stewartville, MN 55976	20
Norwest Bank Stillwater Stillwater, MN 55082	1
Norwest Bank - Thief River Falls Thief River Falls, MN 56701	3
Norwest Bank Tracy Tracy, MN 56175	27
First National Bank of Waconia Waconia, MN 55387	2
First National Bank in Wadena P.O. Box 111, Wadena, MN 56482	20
First National Bank 101 North State Street, Waseca, MN 56093	38
First National Bank of West Concord West Concord, MN 55985	9
First Bank Wheaton, NA Wheaton, MN 56296	1
First National Bank of Wilmont Wilmont, MN	41
First National Bank of Windom 203 Tenth Street, Windom, MN 56101	8
First National Bank of Winnebago Winnebago, MN 56098	5
First National Bank of Worthington Worthington, MN 56187	2

<u>Name and Address</u>	<u>Number of Applications</u>
Norwest Bank - Worthington Worthington, MN 56187	3
<b>NUMBER OF NATIONAL BANKS = 82</b>	
<b>APPLICATIONS FROM NATIONAL BANKS</b>	1,137
<b>OUT OF STATE BANKS</b>	
Citizens State Bank P.O. Box 1, Arlington, SD 57212	1
First National State Bank P.O. Box G, Garretson, SD	2
Exchange State Bank Lime Springs, IA 52155	3
Bank of Osceola P.O. Box 188, Osceola, WI 54020	1
St. Ansgar State Bank P.O. Box 219, St. Ansgar, IA 50472	1
St. Ansgar State Bank P.O. Box 158, Stacyville, IA 50476	4
Bank of Toronto P.O. Box 458, Toronto SD 57268	1
<b>NUMBER OF OUT OF STATE BANKS = 7</b>	
<b>APPLICATIONS FROM OUT OF STATE BANKS</b>	13
<b>PCA'S</b>	
PCA of Moorhead (Ada) P.O. Box 88, Ada, MN 56510	12
PCA of St. Cloud (Aitkin) P.O. Box 308, Aitkin, MN 56431	3
PCA of Blooming Prairie Highway 13 North, Albert Lea, MN 56007	39
PCA of Alexandria Alexandria, MN	17

Name and AddressNumber of Applications

PCA of SE Minnesota Box 1023, Austin, MN 55912	8
PCA of Madison P.O. Box 57, Benson, MN 56215	20
PCA of Blooming Prairie 854 North Center Street, Blooming Prairie, MN 55917	26
PCA of Mankato 825 East 2nd Street, Blue Earth, MN 56013	7
PCA of West Central Minnesota Box 178, Breckenridge, MN 56520	1
PCA of Buffalo P.O. Box 549, Buffalo, MN 55313	5
PCA of St. Cloud P.O. Box 549, Buffalo, MN 55313	2
PCA of St. Charles 310 West Main, Caledonia, MN 55921	7
PCA of River Falls-Cambridge 1332 2nd Avenue NW, Cambridge, MN 55008	3
PCA of Madison P.O. Box 125, Canby, MN 56220	8
PCA of Grand Forks P.O. Box 378, Crookston, MN 56716	31
PCA of Moorhead P.O. Box 29, Detroit Lakes, MN 56501	1
PCA of Faribault-Dundas Route 1, Box 36, Dundas, MN 55019	1
PCA of Fairmont P.O. Box 828, Fairmont, MN 56031	31

Name and AddressNumber of Applications

PCA of Faribault  
2209 Bard Avenue, Faribault, MN 55021

52

PCA of River Falls  
Farmington, MN 55024

31

PCA of Fergus Falls  
P.O. Box 768, Fergus Falls, MN 56537

8

PCA of Forest Lake  
P.O. Box 340, Forest Lake, MN 55025

2

PCA of Fosston  
Box 636, Fosston, MN 56542

4

PCA of Mankato  
414 West Main, Gaylord, MN 55332

31

PCA of Redwood Falls  
Glencoe, MN

5

PCA of Blooming Prairie  
P.O. Box 1032, Grand Meadow, MN 55936

9

PCA of Grand Forks-Hallock  
Hallock, MN 56278

15

PCA of Marshall  
Ivanhoe, MN

12

PCA of Windom  
P.O. Box 8, Jackson, MN 56143

33

PCA of Faribault-Jordan  
Box 156, Jordan, MN 55352

18

PCA of Blooming Prairie  
P.O. Box 368, Kasson, MN 55944

19

PCA of Faribault  
Le Center, MN

29

Name and AddressNumber of Applications

PCA of SE Minnesota 560 Debra Drive, P.O. Box 841, Lewiston, MN 55952	8
PCA of Redwood Falls Litchfield, MN 55355	12
PCA of St. Cloud P.O. Box 284, Little Falls, MN 56345	4
PCA of Worthington P.O. Box 475, Luverne, MN 56156	12
PCA of Madison P.O. Box 148, Madison, MN 56256	29
PCA of Moorhead P.O. Box 360, Mahnommen, MN 56557	5
PCA of Mankato P.O. Box 1268, Mankato, MN 56001	25
PCA of Marshall Marshall, MN	13
PCA of Madison P.O. Box 715, Montevideo, MN 56265	17
PCA of Moorhead P.O. Box 738, Moorhead, MN 56560	4
PCA of St. Cloud 600 South Clark Street, Mora, MN 55051	23
PCA of Alexandria 621 Pacific Avenue, Morris, MN 56267	55
PCA of Mankato 1314 West Ridge Road, New Ulm, MN 56073	35
PCA of Redwood Falls P.O. Box 126, Olivia, MN 56277	29

Name and AddressNumber of Applications

PCA of Blooming Prairie P.O. Box 766, Owatonna, MN 55060	17
PCA of West Central MN - Perham Box 267, Perham, MN 56573	1
PCA of Worthington P.O. Box 774, Pipestone, MN 56164	19
PCA of SE MN - Plainview 275 1st Street SW, Plainview, MN 55964	2
PCA of St. Charles P.O. Box 125A, Preston, MN 55965	29
PCA of Redwood Falls P.O. Box 160, Redwood Falls, MN 56283	33
PCA of St. Charles 1032 - 15th Avenue SE, Rochester, MN 55904	11
PCA of Grand Forks Roseau, MN	7
PCA of St. Cloud-Sauk Centre So. Hwy. 71, Box 269, Sauk Centre, MN 56378	16
PCA of Worthington P.O. Box 146, Slayton, MN 56172	29
PCA of St. Cloud P.O. Box 6219, St. Cloud, MN 56302	14
PCA of Fairmont St. James, MN	14
PCA of Mankato P.O. Box 267, St. Peter, MN 56082	17
PCA of Thief River Falls P.O. Box 673, Thief River Falls, MN 56701	22

Name and AddressNumber of Applications

PCA of Buffalo-Waconia  
212 W. Main Street, Waconia, MN 55387 16

PCA of St. Cloud-Waconia  
212 W. Main Street, Waconia, MN 55387 2

PCA of St. Cloud-Warren  
406 No. McKinley, Warren, MN 56762 28

PCA of Mankato-Waseca  
P.O. Box 220, Waseca, MN 56093 34

PCA of Redwood Falls  
P.O. Box 50, Willmar, MN 56201 5

PCA of Windom  
P.O. Box 399, Windom, MN 56101 53

PCA of Worthington  
P.O. Box 579, Worthington, MN 56187 36

PCA of St. Charles  
1406 North Star Drive, Zumbrota, MN 55992 65

NUMBER OF PCA`S = 68  
APPLICATIONS FROM PCA`S 1,231

**SAVINGS AND LOAN ASSOCIATIONS**

Faribault Savings and Loan  
Faribault, MN 55021 5

NUMBER OF S&L`S = 1  
APPLICATIONS FROM S&L`S 5

**STATE BANKS**

Farmers State Bank of Adams  
Adams, MN 55909 5

Security State Bank of Aitkin  
402 Minnesota Avenue NW Aitkin, MN 56431 1

Security State Bank of Albert Lea  
437 Bridge Avenue, Albert Lea, MN 56007 8

Name and AddressNumber of Applications

Americana State Bank - Alden 195 N. Broadway, P.O. Box 515, Alden, MN 56009	24
Community State Bank of Alexandria 618 3rd Avenue East, Alexandria, MN 56308	1
First American Bank & Trust Company 720 Broadway, P.O. Box 309, Alexandria, MN 56308	10
Annandale State Bank 33 Chestnut Street West, Annandale, MN 55302	4
Farmers & Merchants State Bank of Appleton 239 North Mills Street, Appleton, MN 56208	21
Northwestern State Bank of Appleton 250 North Miles Street, Appleton, MN 56208	20
Argyle State Bank Third and Pacific Avenue, Argyle, MN 56713	7
Arlington State Bank 230 West Main Street, Arlington, MN 55307	8
First State Bank of Ashby Ashby, MN 56309	19
Atwater State Bank P.O. Box 5, Atwater, MN 56209	13
Norwest Bank Austin 501 North Main Street, Austin, MN 55912	20
Sterling State Bank 1419 1st Avenue SW, Austin, MN 55912	1
Avon State Bank Avon, MN 56310	5
Backus State Bank Highway 87 East, Backus, MN 56435	1

Name and AddressNumber of Applications

Badger State Bank Main Street, Badger, MN 56714	1
Citizens State Bank of Barrett Barrett, MN 56311	2
North American State Bank P.O. Box 189, Belgrade, MN 56312	33
State Bank of Belle Plaine 201 West Main Street, Belle Plaine, MN 56011	4
State Bank of Bellingham Fourth Ave. & 2nd St., P.O. Box 367, Bellingham, MN 56212	11
Belview State Bank P.O. Box 98, Belview, MN 56214	60
First Security State Bank of Sleepy Eye (Benson Branch) Benson, MN	9
State Bank of Bird Island 205 South Main Street, Bird Island, MN 55310	1
State Bank of Blomkest P.O. Box 88, Blomkest, MN 56216	23
Farmers and Merchants State Bank 245 East Main Street, Blooming Prairie, MN 55917	28
Blue Earth State Bank 203 East 7th Street, Blue Earth, MN 56013	32
The First State Bank of Braham 121 South Main, Braham, MN 55006	20
State Bank of Bricelyn P.O. Box 367, Bricelyn, MN 56014	12

<u>Name and Address</u>	<u>Number of Applications</u>
Bonanza Valley State Bank Central Ave. & First Street, Brocton, MN 56316	10
Lee State Bank U.S. Highway 71 & 5th Street Browerville, MN 56438	33
First American State Bank of Brownsdale P.O. Box 157, Brownsdale, MN 55918	11
State Bank of Butterfield P.O. Box 249, Butterfield, MN 56120	8
State Bank of Byron 316 Byron Avenue South, Byron, MN 55920	15
Peoples State Bank of Cambridge 234 1st Avenue East, Cambridge, MN 55008	15
Security State Bank of Cannon Falls 123 South Fourth Street, Cannon Falls, MN 55009	9
White Rock State Bank Rural Route 2 Cannon Falls, MN 55009	24
Canton State Bank Canton, MN 55922	15
First State Bank of Carlos Carlos, MN 56319	4
First State Bank of Castle Rock, Inc. Castle Rock, MN 55010	8
Chisago County State Bank County Rd. & St. Hwy. 8, PO Box 247 Center City, MN 55012	3
State Bank of Chandler 4th & Main Streets, Chandler, MN 56122	40
Root River State Bank 18 Southeast 3rd Street, Chatfield, MN 55923	29

Name and AddressNumber of Applications

Chokio State Bank Main Street, Chokio, MN 56221	3
Americana State Bank of Clara City 126 North Main Street, Clara City, MN 56222	8
Citizens State Bank of Clara City 17 Main Street, Clara City, MN 56222	73
Security State Bank of Claremont Front & Elm Street, Claremont, MN 55924	1
Farmers State Bank of Clarissa Clarissa, MN 56440	18
Farmers and Merchants State Bank P.O. Box 248, Clarkfield, MN 56223	63
Peoples State Bank of Cleveland P.O. box 445, Cleveland, MN 56017	7
Clinton State Bank P.O. Box 360, Clinton, MN 56225	64
State Bank of Cokato 101 East Third Street, P.O. Box 220 Cokato, MN 55321	12
State Bank of Cologne P.O. Box 147, Cologne, MN 55322	5
Peoples State Bank of Comfrey Brown & Court Streets, Comfrey, MN 56019	6
Empire State Bank 111 West Main, Cottonwood, MN 56229	44
Currie State Bank 141 Mill Street, Currie, MN 56123	26

<u>Name and Address</u>	<u>Number of Applications</u>
Americana State Bank of Danube P.O. Box 38, Danube, MN 56230	3
State Bank of Danvers Danvers, MN 56231	45
State Bank of Darfur 333 North Adrian, Darfur, MN 56022	18
Farmers State Bank of Darwin P.O. Box 387 Darwin, MN 55324	5
Norwest Bank Dawson 690 Sixth St., P.O. Box 152L, Dawson, MN 56232	7
Farmers State Bank of Delavan P.O. Box 95, Delavan, MN 56023	9
Clay County State Bank 4 North Main Street, Dilworth, MN 56529	4
Norwest Bank Dodge Center 18 2nd Street SW, Dodge Center, MN 55927	4
Farmers & Merchants State Bank of Donnelly P.O. Box 36, Donnelly, MN 56235	2
Citizens State Bank of Eagle Bend P.O. Box N, Eagle Bend, MN 56446	16
Citizens State Bank of East Grand Forks 1413 Central Avenue, East Grand Forks, MN 56721	4
State Bank of Easton Easton, MN 56025	17
Citizens State Bank of Echo P.O. Box 276, Echo, MN 56237	14
State Bank of Eden Valley P.O. Box 34, Eden Valley, MN 55329	54

<u>Name and Address</u>	<u>Number of Applications</u>
Citizen State Bank P.O. Box 368, Citizen, MN 55931	1
Elgin-Millville State Bank Elgin, MN 55932	1
Farmers State Bank of Elkton Main Street, P.O. Box 84, Elkton, MN 55933	2
Ellsworth State Bank P.O. box 305, Ellsworth, MN 56129	6
Elrosa State Bank P.O. Box 94, Elrosa, MN 56325	16
Elysian State Bank 405 Main Street East, P.O. Box 179 Elysian, MN 56028	2
First State Bank of Emmons P.O. Box 28, Emmons, MN 56029	4
Farmers State Bank of Evansville P.O. Box 100, Evansville, MN 56326	9
Eastwood State Bank Lafayette & West 2nd St., P.O. Box 178 Eyota, MN 55934	1
Fidelity State Bank of Fairfax 100 South Park Street, Fairfax, MN 55332	11
State Bank of Fairmont P.O. Box 763 Fairmont, MN 56031	1
The State Bank of Faribault 428 North Central Avenue, Faribault, MN 55021	35
First State Bank of Fountain Fountain, MN 55935	11
Frost State Bank Frost, MN 56033	2

Name and AddressNumber of Applications

Citizens State Bank of Gaylord 320 Main Street, P.O. Box 266, Gaylord, MN 55334	29
Geneva State Bank Geneva, MN 56035	18
Citizens State Bank of Gibbon P.O. Box 25, Gibbon, Mn 55335	8
Security Bank & Trust Company 735 - 11th Street East, Glencoe, MN 55336	4
Citizens State Bank of Glenville 300 West Main Street, Glenville, MN 56036	2
Glenwood State Bank 5 East Minnesota Street, Glenwood, MN 56334	36
Pope County State Bank 2 South Franklin Street Glenwood, MN 56334	23
First State Bank of Good Thunder P.O. Box 68, Good Thunder, MN 56037	12
Goodhue State Bank P.O. Box 158, Goodhue, MN 55027	59
First American State Bank of Grand Meadow Grand Meadow, MN 55936	27
Yellow Medicine County Bank 180 8th Avenue, Granite Falls, MN 56241	16
Granite Falls Bank 702 Prentice Street, Granite Falls, MN 56241	8
Greenbush State Bank Greenbush, MN 56726	23

<u>Name and Address</u>	<u>Number of Applications</u>
State Bank of Greenwald 5th Street & 1st Ave., P.O. Box 44 Greenwald, MN 56335	4
First State Bank of Grove City 110 Atlantic Avenue West, Grove City, MN 56243	7
Red River State Bank P.O. Box 25, Halstad, MN 56548	4
State Bank of Hamburg P.O. Box 157, Hamburg, MN 55339	5
State Bank of Hampton P.O. Box 8, Hampton, MN 55031	1
State Bank of Hanska Hanska, MN 56041	21
Hardwick State Bank P.O. Box 35, Hardwick, MN 56134	23
State Bank of Hawley 416 6th Street, Hawley, MN 56549	17
Citizens State Bank of Hayfield 30 Main Street East, P.O. Box 5, Hayfield, MN 55940	40
Americana State Bank of Hayward P.O. Box 397, Hayward, MN 56043	4
Fidelity State Bank of Hector Hector, MN 55342	30
Sibley County Bank 409 Main Street, Henderson, MN 56044	10
Heron Lake State Bank Heron Lake, MN 56137	20
Exchange State Bank of Hills State Hwy. 270 & Cty. Rd. 6, Hills, MN 56138	17

Name and AddressNumber of Applications

Farmers State Bank of Hoffman P.O. Box 245, Hoffman, MN 56339	4
Security State Bank of Holdingford P.O. Box 9, Holdingford, MN 56340	19
Houston State Bank 108 Cedar Street, Houston, MN 55943	1
Citizens Bank & Trust Co. 102 Main Street South, Hutchinson, MN 55350	1
Jackson State Bank 509 Second Street, Jackson, MN 56143	6
Janesville State Bank Janesville, MN 56048	20
Jasper State Bank Jasper, MN 56144	16
State Bank of Jeffers Jeffers, MN 56145	6
Home State Bank of Kandiyohi 523 5th Street, Kandiyohi, MN 56251	12
Kasson State Bank 203 West Main, Kasson, MN 55944	13
State Bank of Kenneth Main Avenue, Kenneth, MN 56147	37
Security State Bank of Kenyon 602 2nd Street, Kenyon, MN 55946	28
State Bank of Kerkoven Kerhoven, MN 56252	8
State Bank of Kimball Kimball, MN 55353	11

Name and AddressNumber of Applications

Klossner State Bank Main Street, Klossner, MN 56053	15
Citizens State Bank of Lafayette Lafayette, MN 56054	15
Farmers State Bank of Lake Benton Lake Benton, MN 56149	12
First State Bank Lake Lillian Lake Lillian, MN 56253	24
State Bank of Lake Park Lake Park, MN 56554	5
Lanesboro State Bank 118 Parkway North, Lanesboro, MN 55949	2
State Bank of LaSalle LaSalle, MN 56056	8
First State Bank of Le Center 88 North Park Avenue, Le Center, MN 56057	15
Le Sueur State Bank Le Sueur, MN 56058	3
Farmers State Bank of Lester Prairie Lester Prairie, MN 55354	8
Security State Bank of Lewiston 255 East Main Street, Lewiston, MN 55952	4
Merchants State Bank of Lewisville Lewisville, MN 56060	2
State Bank of Lismore Lismore, MN 56155	46
State Bank of Lonsdale 116 Central Street West, Lonsdale, MN 55046	5

<u>Name and Address</u>	<u>Number of Applications</u>
Lowry State Bank Lowry, MN 56349	3
State Bank of Lucan Lucan, MN 56255	26
Norwest Bank - Luverne 116 East Main Luverne, MN 56156	14
Farmers State Bank of Lyle Lyle, MN 55953	1
Farmers State Bank of Madelia 34 Main Street, Madelia, MN 56062	38
Lac Qui Parle Bank 303 Sixth Avenue Madison, MN 56256	24
Peoples State Bank of Madison Lake Madison Lake, MN 56063	15
Bank of Commerce 107 No. Second St., P.O. Box 820, Mankato, MN 56001	1
State Bank of Marietta P.O. Box 126, Marietta, MN 56257	9
Security State Bank of Maynard Maynard, MN 56260	16
Peoples State Bank of Mazeppa First St. & State Hwy. 10, Mazeppa, MN 55956	1
State Bank of McGregor Mable Street, McGregor, MN 55760	3
Melrose State Bank 220 East Kraft Drive, Melrose, MN 56352	3
Citizens State Bank of Milaca - Ogilvie 190 South Central Avenue, Milaca, MN 56353	13

Name and AddressNumber of Applications

Norwest Bank Montevideo 107 North 1st Street, Montevideo, MN 56265	17
Citizens State Bank of Montgomery 103 Elm Avenue, P.O. Box 9, Montgomery, MN 56069	15
American Bank and Trust Company of Moorhead 730 Center Avenue, Moorhead, MN 56560	6
Kanabec State Bank 124 East Maple Street Mora, MN 55051	11
State Bank of Morgan 101 Vernon Avenue, Morgan, MN 56266	29
Morris State Bank Morris, MN 56267	28
Citizens Bank Morris, MN 56267	21
State Bank of Morristown Morristown, MN 55052	3
Farmers State Bank of Mountain Lake 1141 Third Avenue, Mountain Lake, MN 56159	26
First State Bank of Murdock Murdock, MN 56271	20
Farmers State Bank of Nerstrand Nerstrand, MN 55053	1
Farmers State Bank of New London New London, MN 56273	14
First State Bank of New London 14 No. Main St., P.O. Box 289, New London, MN 56273	10
Citizens Bank of New Ulm 105 North Minnesota Street, New Ulm, MN 56073	11

Name and AddressNumber of Applications

State Bank & Trust Company of New Ulm 100 North Minnesota Street, New Ulm, MN 56073	19
Farmers and Merchants State Bank 322 North Minnesota Street, New Ulm, MN 56073	16
Farmers and Merchants State Bank Walker Avenue & Front Street New York Mills, MN 56567	5
Nicollet State Bank 703 3rd Street, P.O. Box 77, Nicollet, MN 56074	19
Norwest Bank Northfield 700 South Water Street, Northfield, MN 55057	1
Citizens State Bank of Norwood 409 North Young Am. Faxon Street, Norwood, MN 55368	17
Odin State Bank Odin, MN 56160	27
First State Bank of Okabena Okabena, MN 56161	14
American State Bank of Olivia 815 East Depue Avenue, Olivia, MN 56277	3
Ormsby State Bank Ormsby, MN 56162	9
Norwest Bank - Ortonville 25 NW Second Street Ortonville, MN 56278	9
Ostrander State Bank Ostrander, MN 55961	29
Otisco State Bank Otisco, MN 56077	2
Owatonna State Bank 1801 Cedar, Owatonna, MN 55060	5

Name and AddressNumber of Applications

Northwoods Bank of Minnesota RR 1, Box 112 - E. Hwy. 34, Park Rapids, MN 56470	11
The First State Bank of Paynesville 201 West James Street, Paynesville, MN 56362	4
Pelican Valley State Bank 11 South Broadway, Pelican Rapids, MN 56572	5
State Bank of Pennock County Highway 1, Pennock, MN 56279	26
Perham State Bank 155 - 2nd Street SW, Perham, MN 56573	1
Farmers and Merchants State Bank of Pierz 80 Main Street, P.O. Box 308, Pierz, MN 56364	35
The Security State Bank of Pine Island 128 South Main Street, Pine Island, MN 55963	8
Pine River State Bank Pine Avenue & 2nd Street, Pine River, MN 56474	16
Peoples State Bank of Plainview 300 West Broadway, Plainview, MN 55964	3
Farmers and Merchants Bank of Preston Fillmore & St. Anthony, P.O. Box 467 Preston, MN 55965	54
Princeton State Bank 202 South 5th Avenue, Princeton, MN 55371	56
Prinsburg State Bank 510 3rd Street, Prinsburg, MN 56281	39
Randall State Bank Randall, MN 56475	5

<u>Name and Address</u>	<u>Number of Applications</u>
Farmers State Bank of Raymond 202 Cofield North, Raymond, MN 56282	26
Red Lake County State Bank 2nd & Main Streets, Red Lake Falls, MN 56750	5
Farmers State Bank of Redwood Falls 1275 East Bridge Street, Redwood Falls, MN 56283	11
O'Connor Brothers State Bank of Renville Renville, MN 56284	9
Renville County State Bank 106 Fifth Street SE, Renville, MN 56284	9
State Bank of Richmond Richmond, MN 56368	6
Citizens State Bank of Roseau 120 Main Avenue South, Roseau, MN 56751	9
Farmers State Bank of Mountain Lake (Round Lake Branch) Round Lake, MN	2
Royalton State Bank Royalton, MN 56373	6
First State Bank of Rushmore Rushmore, MN 56168	9
Farmers and Merchants State Bank 200 West Maple, Sacred Heart, MN 56285	14
Santiago State Bank Santiago, MN 55377	3
First American State Bank Sargeant, MN 55973	24
First State Bank of Sauk Centre Sauk Centre, MN 56378	15

<u>Name and Address</u>	<u>Number of Applications</u>
Farmers State Bank of Sherburn Sherburn, MN 56171	8
Peoples State Bank of Slayton 2457 Broadway Avenue, Slayton, MN 56172	29
Norwest Bank Slayton 2565 King Avenue, Slayton, MN 56172	11
Americana State Bank of Sleepy Eye 300 Main Street West, Sleepy Eye, MN 56085	24
First Security State Bank 100 East Main Street, Sleepy Eye, MN 56085	11
Onsgard State Bank Spring Grove, MN 55974	6
Farmers and Merchants State Bank of Springfield 101 North Marshall Avenue, Springfield, MN 56087	62
State Bank of Springfield 2 South Marshall Avenue, Springfield, MN 56087	58
St. Clair State Bank Inc. St. Clair, MN 56374	7
Citizens State Bank of St. James 123 Armstrong Boulevard, St. James, MN 56081	17
The Nicollet County Bank of St. Peter 212 South 3rd Street, St. Peter, MN 56082	26
St. Stephen State Bank Stephen Rural Station, St. Stephen, MN 56375	4
Staples State Bank 111 NE 4th Street, Staples, MN 56479	8
First State Bank of Storden Storden, MN 56174	29

<u>Name and Address</u>	<u>Number of Applications</u>
First State Bank of Swanville Swanville, MN 56382	2
Northern State Bank of Thief River Falls Thief River Falls, MN 56701	6
Norwest Bank Tracy 250 - 3rd Street, Tracy, MN 56175	10
Triumph State Bank Trimont, MN 56176	3
Farmers State Bank of Trimont Trimont, MN 56176	28
Peoples State Bank of Truman Truman, MN 56088	33
Twin Valley State Bank 205 Main Street West, Twin Valley, MN 56584	7
Farmers State Bank of Upsala Upsala, MN 56384	22
Vermillion State Bank Vermillion, MN 55085	5
State Bank of Vernon Center Vernon Center, MN 56090	32
Vesta State Bank Vesta, MN 56292	1
Wabasso State Bank Wabasso, MN 56293	30
Wadena State Bank Wadena, MN 56482	4
Waldorf State Bank Waldorf, MN 56091	11

<u>Name and Address</u>	<u>Number of Applications</u>
Citizens State Bank of Walnut Grove Walnut Grove, MN 56180	22
Security State Bank of Wanamingo 232 Main Street, Wanamingo, MN 55983	18
First American Bank of Warren 202 West Johnson Avenue, Warren, MN 56762	10
The First State Bank of Waseca 200 Second Street NE, Waseca, MN 56093	12
Citizens State Bank of Waterville 320 East Main Street, Waterville, MN 56096	21
Watson State Bank Watson, MN 56295	19
Welcome State Bank Welcome, MN 56181	4
Peoples State Bank of Wells Wells, MN 56097	29
Security State Bank of Wells 190 South Broadway, Wells, MN 56097	28
State Bank of Wendell Wendell, MN 56590	3
Farmers State Bank of West Concord West Concord, MN 55985	12
Westbrook State Bank Westbrook, MN 56183	27
State Bank of Wheaton 921 Broadway, Wheaton, MN 56296	21
First American Bank & Trust 302 SW 5th Street, Willmar, MN 56201	30

<u>Name and Address</u>	<u>Number of Applications</u>
Windom State Bank 245 9th Street, Windom, MN 56101	68
Farmers State Bank of Winger Winger, MN 56592	10
State Bank of Wood Lake Wood Lake, MN 56297	41
First State Bank of Wykoff Wykoff, MN 55990	5
State Bank of Young America Young America, MN 55397	24
Farmers Security State Bank Zumbrota, MN 55992	15
<b>NUMBER OF STATE BANKS = 257</b>	
<b>APPLICATIONS FROM STATE BANKS</b>	<b>3,956</b>
Applications from Agricultural Credit Companies	24
Applications from Credit Unions	39
Applications from Out of State Banks	13
Applications from PCA's	1,231
Applications from National Banks	1,137
Applications from Savings and Loan Associations	5
Applications from State Banks	3,956

Applications per crop districts:

	Total	State	National	PCA	C.U.	C.C.
<u>District 1</u>	259	119	12	138		
<u>District 2</u>	33	29	3	1		
<u>District 3</u>	0					
<u>District 4</u>	1,067	704	206	156	1	
<u>District 5</u>	1,154	785	150	157	38	24
<u>District 6</u>	204	122	51	31		
<u>District 7</u>	1,137	712	184	241		
<u>District 8</u>	1,648	953	364	325		5*
<u>District 9</u>	877	519	164	191		3**

\*Savings and Loan Associations  
\*\*Out of State Banks



NUMBER OF APPLICATIONS PER COUNTY

Aitkin	10	Martin	136
Anoka	1	McLeod	20
Becker	9	Meeker	95
Beltrami	1	Mille Lacs	78
Benton	16	Morrison	68
Big Stone	91	Mower	133
Blue Earth	158	Murray	174
Brown	214	Nicollet	115
Carleton	0	Nobles	150
Carver	67	Norman	31
Cass	26	Olmsted	88
Chippewa	175	Ottertail	57
Chisago	9	Pennington	13
Clay	33	Pine	30
Clearwater	0	Pipestone	44
Cook	0	Polk	51
Cottonwood	203	Pope	97
Crow Wing	3	Ramsey	1
Dakota	53	Red Lake	12
Dodge	104	Redwood	216
Douglas	53	Renville	177
Faribault	168	Rice	137
Fillmore	180	Rock	94
Freeborn	138	Roseau	39
Goodhue	241	Scott	28
Grant	52	Sherburne	21
Hennepin	2	Sibley	95
Houston	24	Stearns	212
Hubbard	16	Steele	92
Isanti	39	Stevens	77
Itasca	0	St. Louis	0
Jackson	166	Swift	144
Kanabec	28	Todd	144
Kandiyohi	206	Traverse	49
Kittson	17	Wabasha	47
Koochiching	0	Wadena	17
Lac Qui Parle	116	Waseca	115
Lake	1	Washington	1
Lake of the Woods	1	Watsonwan	129
Le Sueur	143	Wilkin	6
Lincoln	24	Winona	22
Lyon	79	Wright	25
Mahnomen	3	Yellow Medicine	202
Marshall	47		

#### IV. Conclusions

From the beginning of program operation, the 1986 Family Farm Assistance Act Farm Loan Interest Buydown Program has met with an enthusiastic reception from farm borrowers and lenders. Many of the obstacles that limited participation in the 1985 program were removed through amendments and changes in the 1986 legislation.

As of October 31, 1986, the program has been used by over 6,400 borrowers and more than 400 lenders. This serves as an indication of the ongoing nature of credit stress in agriculture.

The approximately \$19 million expenditure will leverage \$391 million in reduced cost farm loans. The 6,400 borrowers used more than \$450 million in agricultural credit.

The average size of subsidized loan is \$61,588. The average interest paid by the State for each farm borrower is about \$3,000.

It may be concluded that Governor Rudy Perpich and the 1986 Legislature designed a program that is an effective means of providing cash flow relief to credit stressed farm operators thereby helping them to maintain financial viability.

STATE OF MINNESOTA

*Office Memorandum*

DEPARTMENT of Commerce

TO : Commissioner Hatch

DATE: Jan. 13, 1987

FROM : Family Farm Assistance Act

PHONE: 6-4521

SUBJECT: Application Log

## Total Principal Borrowed:

Actual \$ 457,486,638

Subsidized \$ 395,470,665

Average Subsidized Loan Amount \$ 61,533

Average Interest Encumbered \$ 2,943

Average Percent 12.88%

*Office Memorandum*

DEPARTMENT of Commerce

TO : Commissioner Hatch

DATE: Jan. 13, 1987

FROM : Family Farm Assistance Act

PHONE: 6-4521

SUBJECT: Application Log Through December 31, 1986

Program #1 Applications	<u>22</u>
Total Dollar Amount Encumbered for Interest	\$ <u>11,711</u>
Program #2 Applications	<u>6,436</u>
Total Dollar Amount Encumbered for Interest	\$ <u>18,898,518</u>
Total Applications	<u>6,458</u>
Total Interest	\$ <u>18,910,229</u>
Appropriation Needed	\$ <u>13,985,229</u>