

Finding the Right Lender for an FSA Guaranteed Loan

FSA works with many different lenders to guarantee the loans that they give to farmers, but they group lenders into categories. FSA has set up three main categories of lenders: Preferred, Certified and Standard lenders. The basis for sorting lenders into these three categories is the lender's experience and track record with managing FSA loans.²² If your local bank is unwilling or unable to give you the loan or credit that you need, you may want to seek out a Preferred lender to make the process of your FSA guarantee application easier.

Preferred lenders: have worked extensively with FSA in the past, are already familiar with the process, and can move through the FSA application more efficiently than a certified or standard lender. While all three categories of lenders are held to the same requirements, FSA puts in place fewer review steps for preferred lenders because of their proven success and responsibility in handling FSA loans. Preferred lenders can use their own administrative systems, and can write the loans according to their own system. This can be a time saver for farmers working with preferred lenders. For this reason, your loan application will be most efficient when working with a preferred lender.

Certified lenders: have less flexibility than preferred lenders, but are still recognized for their successful track record in managing FSA loans. Certified lenders may be able to develop their own forms for example, and will have to submit less information to FSA for review as compared to standard lenders.

Standard lenders: are the basic participant level in the FSA loans programs. To become a Standard Lender, they must first demonstrate experience with managing and servicing farm loans. However these lenders may have less experience with the FSA loan application process and program.

To find a list of FSA's current preferred and standard lenders, you will need to talk to your local FSA loan office. FSA loan officers make this list available to farmers upon request.²³ <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/guaranteed-farm-loans/lender-types/index>

²² 762.101c Lender Classification

²³ 762.101b Lenders List