

# Montana Junior Agriculture Loan Program

## Loan Terms & Application

### **Loan Amounts and Terms**

The amount of any loan depends on the project, but cannot exceed \$3,500 for applicants ages 9-11 and \$8,500 for applicants ages 12-21. Applicants may refinance loans, providing they still qualify and do not exceed the \$8,500 maximum. More than one family member may qualify for individual loans up to \$8,500 each. Individuals may borrow up to 90 percent of the total first year cost of the project. Loan repayment periods can be one to five years, depending on the project. Payments are usually made annually.

### **Applications**

Application forms are available from the department, agricultural education instructors, and county extension agents, or can be [downloaded here](#). Applications must be approved by the local loan committee, with final approval determined by the Montana Department of Agriculture Loan Committee. A written summary of past experience or education relating to the proposed project must accompany the application. A map showing directions to the applicant's farm or ranch is also required with the application.

### **Local Loan Committee**

In each community where prospective borrowers are applying for a Junior Agriculture Loan, there must be a loan committee composed of any three of the following: agricultural education instructors, county extension agents, home demonstration agents, 4-H leaders, or other individuals involved in agricultural production and Montana youth organizations. These other individuals could include representatives from FmHA, Farm Credit Services, or other commercial banks located in the applicant's community. The purpose of the committee is to review the loan eligibility of applicants, examine cash flow projections, and provide recommendations concerning the loan request. One of the committee members acts as the Project Supervisor for the duration of the loan. Project Supervisors are encouraged to actively participate in loan projects through periodic home visits, technical assistance, and support of the requirements of the local committee and the Department of Agriculture.

