

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the October 9, 2020 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy (GOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
October 9, 2020
Frankfort, KY 40601**

Call to Order

Commissioner of Agriculture Dr. Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:10 a.m. (EDT).

Roll Call

The following members were present: Commissioner of Agriculture Dr. Ryan Quarles, Dr. Kenneth Burdine, Frank Penn, Wayne Hunt, Donald Mitchell, David Rink, Mac Stone, and Linda Rumpke..

Members absent: Billy Aldridge (designee for Secretary Holly M. Johnson), Jonathan Noe, Doug Lawson

Notification of Media

Commissioner Quarles received verification from Sandra Gardner, Director of Compliance and Outreach, that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the teleconference meeting. Commissioner Quarles mentioned recent activities of KDA including wrap up of Farm Safety Week promotion and preparations are underway for the North American show.

Tim Hughes assumed the chair at 10:20 am.

Approval of Minutes

Mr. Hughes received entertained a motion to approve the minutes of the September 11, 2020 KAFC board meeting.

Mr. Mitchell moved to approve the minutes; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes yielded the floor to Dorsey Ridley, GOAP Executive Director, to report to the board.

Mr. Ridley welcomed everyone to the teleconference meeting and updated the board on his activities. Mr. Ridley referenced an article promoting KAFC in Farmer's Pride magazine and meetings he had with industry leaders around the state.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of September 23, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of September 21, 2020.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of September 30, 2020.

Mr. McCloskey reviewed the COVID-19 payment deferrals (*on file*). After some discussion, it was recommended the board would continue a three month deferral for those impacted by COVID-19.

Mr. McCloskey reviewed the Category B Loans (*on file*) as of September 30, 2020.

K AFC Statement of Financial Position	
As of September 30, 2020	
Assets	
Cash K AFC Accounts	\$ 14,832,688
Loan Payments Due K AFC	
Category A	\$79,043,099
Category B	\$ 697,064 (Foothills, Weekly Juicery, Bevins, Miracle & Goodlett)
Category C	\$
	\$79,740,163
Total Assets	\$94,572,85106
Liabilities	
K AFC loans approved not closed	\$ 8,042,196
Principal Outstanding	\$ 79,740,163
Total Liabilities	\$ 87,782,359
Unobligated Assets	\$ 6,790,492
Total Liabilities & Unobligated Assets	\$ 94,572,851

Mr. Penn moved to accept the K AFC financial report; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that the loans reviewed would be discussed in order of the agenda.

Compliance Committee Report

Commissioner Quarles called on Chairman Jonathan Noe recently reviewed a selection of loans per compliance standards. After discussion, it was recommended if final documentation is not received after 90 days, a letter should be sent by the GOAP staff attorney. It was asked that staff provide additional information about the process for securing loan closing document to be presented at next compliance meeting.

Mr. Penn moved to accept the Compliance Committee report, Mr. Mitchell seconded.

VOTE: Motion Passed; Unanimous.

New Business

Commissioner Quarles called on Mr. McCloskey and Ali Hulett to present the following applications.

Beginning Farmer Loan Program (BFLP)

AF20-0050 Howard, Eric

Applicants requested \$250,000 for the purchase of 125 acres in McLean County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

The staff recommended to approve the request up to \$250,000 with a CL/V no greater than 85%.

Dr. Burdine moved to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0074 Duke, Justin

Applicants requested \$35,910 for the purchase of 19 acres in Henderson County. Farm Credit Mid-America in Henderson, KY is the participating lender.

Staff recommended to approve the request up to \$35,910 with CL/V no greater than 85%.

Mr. Penn moved to approve the staff recommendation, as presented, pending availability of funds; Mr. Mitchell seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0075 Weldon, Ryan

Applicant requested \$250,000 for the construction of eight (8) Tyson super-mega broiler barns in Graves, KY. River Valley AgCredit in Murray, KY is the participating lender.

Loan Committee recommends to approve approve the request up to \$250,000 with a CL/V no greater than 100% without FSA guarantee or 85% with FSA guarantee.

Ms. Rumpke moved to approve the committee recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0076 Johnson, Cassie

Applicant requested \$150,000 for the purchase of 77 acres in Clark county. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommended to approve the request up to \$150,000 with CL/V no greater than 100% with an FSA guarantee or CL/V no greater than 85% if an FSA guarantee is not an option (using valuations acceptable to KAFC).

Mr. Hunt moved to approve the staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Hughes called on Mr. McCloskey, Ms. Hulett and Lindsay Bates to present the following modifications, extensions and withdrawals.

Modifications

AF13-0046 Igleheart, Christopher

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification remove the FSA guarantees from the real estate notes.

The Loan Review Committee recommended to approve the modification to remove the FSA guarantee contingent upon receiving updated financials.

Ms. Rumpke moved to approve the modification request, as presented; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0072 Hunt, Michael

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification to defer payment for one year until September 15, 2021.

The Loan Review Committee recommended to approve the modification to defer payment.

Ms. Rumpke moved to approve the modification request, based on the committee's recommendation; Mitchell seconded the motion.

VOTE: Motion Passed; Unanimous.

AF18-0101 Harbin, Tyler

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification to defer payment for 6 months and change payment due date until April 10, 2021.

The Loan Review Committee recommended to approve the request for modification.

Ms. Rumpke moved to approve the modification request, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF19-0060 Galloway, Derrick

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification to remove the FSA guarantee requirement from the KAFC segment.

The Loan Review Committee recommended to approve the request for modification as presented contingent of receiving an updated financial statement.

Ms. Rumpke moved to approve the modification request, as presented; Mr. Rink seconded the motion.

VOTE: Motion Passed; Unanimous.

Extensions

AF18-0056 Brockman, Brent

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a time extension for construction. The new expiration date would be April 13, 2021.
Linda Rumpke, Mac stone

Staff recommended to approve extension as presented.

Mr. Mitchell moved to approve the modification, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF18-0090 Wood, Cory

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a 90 day time extension to allow time for construction to be completed.

Staff recommended to approve the time extension as requested.

Ms. Rumpke moved to approve the time extension for up to six months to allow for construction to be completed; Mr. Hunt seconded the motion. The new expiration date would be March 13, 2021.

VOTE: Motion Passed; Unanimous.

AF19-0046

Greer, Todd

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a six month time extension to allow for construction to be completed. The new expiration date would be April 12, 2021.

Staff recommended to approve the time extension as requested.

Mr. Rink moved to approve the time extension, as presented; Mr. Mitchell seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0008

Jantz, Carson

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested a 90 day time extension to allow for documents to be finalized. The new expiration date would be January 20, 2021.

Staff recommended to approve the time extension as requested.

Mr. Rink moved to approve the time extension, as presented; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next meeting will be Friday, November 13 at 10 a.m. EDT.

Adjournment

There being no additional business or discussion, Mr. Hughes adjourned the meeting.

The KAFC Board meeting adjourned at 11:20 a.m. (EDT).

APPROVED DATE:

November 13, 2020

PRESIDING OFFICER:

Tim Hughes proxy for Commissioner Dr. Ryan Quarles

BOARDS COORDINATOR:

Milinda Sosby

Milinda Sosby

Loan Review Committee

Meeting Minutes



Meeting Date:	October 9, 2020
Meeting Location:	Zoom Conference, Meeting ID: 961 7415 2035
Meeting Chair:	Linda Rumpke
Attendees:	Kenny Burdine, Wayne Hunt, David Rink, Tim Hughes, Linda Rumpke, Frank Penn, Mac Stone Staff: Ali Hulett, Bill McCloskey, Dorsey Ridley, Sandy Gardner, Lindsay Bates, Bill Hearn, Brian Murphy, Milinda Sosby, Diana Carrier, Kelly Childers, Grace Clark Guests: Kathleen Finley, Tara Conner, Wade Walters, Steve Hornback
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	9:00 AM EDT
Meeting Adjourned:	9:30 AM EDT

Agenda Items:

New Business

1. Review of AF20-0075—Weldon, Ryan
 - a. On behalf of Mr. Weldon, the loan officer requested the loan be considered for approval.
 - b. Recommend approval of \$250,000 with a combined loan-to-value no greater than 100%.

Old Business

2. Review of AF13-0046—Igleheart, Christopher
 - a. On behalf of Mr. Igleheart, the loan officer requested to remove the FSA guarantee requirement.
 - b. Recommend approval, contingent upon receiving updated financials.
3. Review of AF17-0031—Hunt, Michael
 - a. On behalf of Mr. Hunt, the loan officer requested a loan note modification to defer and extend the annual payment out an additional year with an interest only payment.
 - b. Recommend approval.
4. Review of AF18-0101—Harbin, Tyler
 - a. On behalf of Mr. Harbin, the loan officer requested a six (6) month payment deferral and change of payment due date until April of every year.
 - b. Recommend approval.
5. Review of AF19-0060—Galloway, Derrick
 - a. On behalf of Mr. Galloway, the loan officer requested to remove the FSA guarantee requirement.
 - b. Recommend approval, contingent upon receiving updated financials.

Compliance Committee Meeting Minutes



Meeting Date:	October 9, 2020
Meeting Location:	Zoom Conference, Meeting ID: 961 7415 2035
Meeting Chair:	Jonathan Noe
Attendees:	Jonathan Noe, Linda Rumpke, Wayne Hunt, David Rink, Mac Stone, Kenny Burdine, Tim Hughes (Proxy) Staff: Bill McCloskey, Dorsey Ridley, Ali Hulett, Lindsay Bates, Brian Murphy, Sandra Gardner, Grace Clark, Milinda Sosby, Bill Hearn, Diana Carrier, Kelly Childers.
Minutes Issued By:	Lindsay Bates, Administrative Loan Manager
Meeting Call to Order:	9:00 AM EDT
Meeting Adjourned:	9:26 AM EDT

Agenda Items:
<ul style="list-style-type: none"> 6. Review loan disbursements <ul style="list-style-type: none"> a. 35 loans disbursed April-June 2020 b. 29 loans disbursed July-September 2020 7. Report of reviewed loans randomly selected by Committee Chair <ul style="list-style-type: none"> a. AF19-0112 Jared Helm b. AF19-0129 William Mefford c. AF19-0087 Adrian Troyer d. AF19-0106 Hank Layton e. AF19-0135 Nathan Yoder f. AF20-0016 David Sanford g. AF20-0025 John Bickett 8. Questions, comments, suggestions <ul style="list-style-type: none"> a. Implement 90-day policy to send formal letter from GOAP General Counsel if final documentation is not received from lender. b. The committee requested that GOAP staff review the disbursement process regarding title opinions and provide a report at the next meeting. 9. Motion to Adjourn