

Subject: [RACINotes] USDA Guidelines
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Date: Wed, 11 Nov 2009 14:06:46 -0500
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USDA Guidelines on Barns, Pole buildings and out buildings:

We have been seeing more Farm Service-type buildings on GRH loan requests. We feel it is necessary to provide some additional guidance on this issue. If based on the following, you determine that a structure is a Farm Service Building, we cannot make the loan.

Accessory structures such as chicken coops, garden tool sheds, etc., that are small and do not contribute more than \$10,000 total to the value of the property are not considered Farm Service Buildings and will not preclude financing the property.

Old frame barns, regardless of size, are generally considered obsolete for a modern farming operation and will not be considered Farm Service Buildings unless they have at least 1 door no smaller than 20' wide and 14' tall. However, they will be considered a Farm Service Building if they contribute more than \$10,000 to the value of the property even if the door does not meet the minimum size set out above.

Pole barns will always be considered Farm Service Buildings if they are at least 1200 square feet and have at least 1 door no smaller than 20' wide and 14' tall. Larger pole barns lacking the minimum size door would not be considered Farm Service Buildings unless they contribute more than \$10,000 to the value of the property.

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Part 1.2	Content-Type: text/plain Content-Encoding: 7bit
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