



## MASC - Hog Assistance Loan Program Checklist

The following two documents are made available as reference in the completion of the Hog Assistance Loan application;  
 - Instructions for Completion - Hog Assistance Loan Application  
 - MASC Lending - Manitoba Hog Assistance Loans

Please provide the following information in order to complete your Hog Assistance Loan Application.

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- |           |  |       |
|-----------|--|-------|
| <u>1</u>  | FORM - MASC Application for Credit - Hog Assistance Loan Program                                       | _____ |
| <u>2</u>  | FORM - Net Worth Statement dated within 60 days of application date. (Client Supplied)                 | _____ |
| <u>3</u>  | FORM - MASC "Hog Assistance Loan Program - Actual and Estimated Sales Quantities                       | _____ |
| <u>4</u>  | FORM - MASC Environmental Questionnaire  | _____ |
| <u>5</u>  | FORM - MASC Pre-Authorized Chequeing & Direct Deposit Form (Signed & VOID Cheque)                      | _____ |
| <u>6</u>  | FORM - MAFRI - Extension Services  | _____ |
| <u>7</u>  | <b>General Information</b>   | _____ |
| _____     | Copy of most recent property tax statement on owned land & buildings                                   | _____ |
| _____     | Copy of your schedule of fire insurance presently in effect  | _____ |
| <u>8</u>  | <b>Applicant Information</b>   | _____ |
| _____     | Copy of applicant(s) birth certificate, drivers license, and social insurance card                     | _____ |
| _____     | Confirm MB resident, 18 years of age, and Cdn citizen or have lawful permanent residence status        | _____ |
| _____     | Copy of your Income Tax Returns for the last 3 years   | _____ |
| <u>9</u>  | <b>Partnership Information</b>   | _____ |
| _____     | Copy of partners birth certificate, drivers license, and social insurance card                         | _____ |
| _____     | Copy of Partnership Income Tax Returns for the last 3 years  | _____ |
| _____     | Copy of your Partnership Agreement   | _____ |
| <u>10</u> | <b>Corporate Information</b>   | _____ |
| _____     | Articles of Incorporation  | _____ |
| _____     | Either ... Copy of Corporate Minute Book for Directors, Officers, and Shareholders (Incl. # of Shares) | _____ |
| _____     | or ... Letter from Solicitor providing the requested information from Corporate Minute Book            | _____ |
| _____     | Copy of Shareholder birth certificate, drivers license, and social insurance card                      | _____ |
| _____     | Accountant Prepared Financial Statement for last 3 Years   | _____ |
| _____     | Interim Financial Statement dated within 60 days of application date. (Client prepared)                | _____ |
| _____     |  | _____ |
| _____     | Other: _____   | _____ |

March 10, 2008

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## **Instruction for Completion - Hog Assistance Loan Application**

### **1. Application for Credit – Hog Assistance Loan Program**

- a. In case of multiple applicants for the same loan, you may use several forms to facilitate the completion of the relevant information.
- b. Please identify a lawyer and law firm who will be acting on your behalf, if applicable. In the case of a real property mortgage, a lawyer must be selected.
- c. If the security taken does not include real property mortgages, MASC can register the security for a fee of \$150. Alternatively, you may elect to have your lawyer register the security on your behalf.

### **2. Net Worth Statement**

- a. Consists of three main sections – Assets, Liabilities, and Net Worth Statement. You may fill in the attached application by hand, and have supporting documentation available, such as creditor statements, loan statements, and bank statements.
- b. **Can I supply my own net worth statement, including computer-generated printouts?**
  - i. We accept both a hand written net worth statement, or a computer-generated form as provided by many accounting or farm management programs.
  - ii. It is important that the date of the net worth statement be within 60 days of the date of application.
  - iii. You may be asked to provide some additional detail, if further clarification is required.

### **3. Actual and Estimated Hog Sales Quantities**

- a. This form must be completed to establish qualifying number of weanlings and slaughter hogs during the eligibility period. Include the actual number of hogs sold up to the month prior to application, and the estimated number of hogs in the month of application and thereafter until May 31, 2008.
- b. Sales receipts are not required at the time of the application, but applications are subject to verification.

### **4. Environmental Questionnaire**

- a. Is to be completed for the property housing the hog operation. If other parcels of land are provided as security, these must also be completed, on a separate form if necessary.
- b. Properties may be inspected by MASC staff to confirm environmental questionnaire.

### **5. Pre-Authorized Chequeing & Direct Deposit Form**

- a. This form allows MASC to credit your account with an electronic funds transfer, and in future, debit any interest and principal payments when they are due.

**6. MAFRI (Manitoba Agriculture Farm and Rural Initiatives) Extension Services**

- a. The extension services form allows MAFRI staff to contact the applicant to invite them to participate in extension services, and provide periodic updates on relevant information to hog operations.

**7. General Information**

- a. The most recent copy of your property tax statement or assessment for owned land and buildings. This information will be used to support a valuation for the property, and to note the legal description of the operation, including the location of the hog operation.
- b. Copy of fire insurance policy, noting coverage of hog operation.

**8. Applicant Information**

- a. Applicants must supply appropriate identification to establish credit facilities at MASC, and the documentation includes birth certificate, driver's license, and social insurance card.
- b. Applicants must be a Manitoba resident, 18 years or older, and either a Canadian citizen or lawfully resident.
- c. Tax returns for the last 3 years are used to establish sales and expenses for the farm.

**9. Partnership Information**

- a. Partners must supply appropriate identification to establish credit facilities at MASC, and the documentation includes birth certificate, driver's license, and social insurance card.
- b. Tax returns for the last 3 years are used to establish sales and expenses for the farm.
- c. A written partnership agreement is required, including a registered business name.

**10. Corporate Information**

- a. A copy of the Articles of Incorporation must be supplied to show that the corporation was duly incorporated. (Articles of Amendment must also be supplied, if applicable.)
- b. Listing of Directors, Officers, and Shareholders including the number and type of shares held by shareholders. This information can be supplied by photocopies from the Corporate Minute book, or can be certified by the corporation's solicitor in a letter.
- c. Accountant prepared financial statements for the last 3 years are used to review sales and expense information, and to assist in establishing a value for available security.
- d. Interim financial statements dated within 60 days of the application date. The interim statements are generally produced in-house and supplied by the corporate applicant.

## General Information

**Young Farmer Rebate** – a 1% reduction on interest from Year 1 to 3 for farmers under the age of 40. For corporations and partnerships, the interest reduction will be pro-rated based on eligibility.

**Disbursements** – the initial disbursement amount will be calculated based on;

- a) actual sales from October 1, 2007 to the end of the month prior to application at program rates of \$35 per slaughter hog and \$10 per weanling, and
- b) the estimated monthly sales volumes to May 31, 2008 at 50% of program rates (\$17.50 per slaughter hog, and \$5 per weanling).

The final disbursements will be completed after May 31, 2008 once actual sales quantities are known.

**Eligible Loan Amount** – may be affected by the net available security. A security valuation will be completed by MASC, which will determine the eligible loan amount. MASC's security position may be in a second position, after the primary lender. Any prior security encumbrances would be deducted in the calculation of the net available security.

**Security Required** - is affected by the size of the loan, and is outlined as follows;

- a) for loans under \$50,000, a General Security Agreement (GSA) will be taken.
- b) loans over \$50,000 require a GSA and a real property mortgage.
- c) If the loan is under \$50,000, but insufficient equity is available in the GSA security, then a real property mortgage will be taken.

**Loans to Corporations** – are generally to be supported by pro-rated guarantees from shareholders.

**Subject to Change** – the nature of the loan program is such, that certain administrative practices may be subject to change, in order to deliver the program effectively.