

To: Farm Bureau Agents

Subject: Farm Bureau Bank Loan Policy Changes

Effective: February 22, 2016

Dear Agent,

Effective February 22, 2016, the following loan policy changes will be implemented. These changes will allow Farm Bureau Bank to better serve you and your members in an accurate and timely manner.

Included in this bulletin are the following changes:

1. Horse trailers with living quarters
2. Loan to value parameters on Boats and Recreational Vehicles
3. Application
 - A. Household Income
 - B. Applicant Contact
4. New Dealer Guidelines
5. Loan Matrix

We appreciate your attention to these important changes and value your continued support.

Your Farm Bureau Bank Team

1. Horse Trailers with Living Quarters

- Horse Trailers with living quarters will now be listed under loan type *Motorhome/RV/Travel Trailer* and receive RV Terms and Loan to Value parameters
- Livestock trailers will continue to receive Equipment Terms and Loan to Value parameters listed under loan type *Equipment*.
- Refer to the Loan Matrix

2. Loan to Value Parameters on Boats & Recreational Vehicles

- Boats & Recreational Vehicles Loan to Value will be reduced by 5%
- Refer to the Loan Matrix

3. Application

A. Household Income

Farm Bureau Bank will no longer accept household income for a single applicant on any loan applications:

- Only the single applicant’s income will be considered

FARM BUREAU BANK Motorcycle Loan Application

1 Identification 2 Applicant 3 **Income** 4 Collateral 5 Protection 6 Disclosures

Income Information

* Employment Status: * Current Position:

* Employer Name: * Employer Phone:

* Gross Income: * Income Frequency:

* Length of Current Employment:
Click & slide

* Length of time in Industry:
Click & slide

Enter only Applicant's employer's income

- To consider any additional person’s income, each person will need to be included on the loan application

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Income Information

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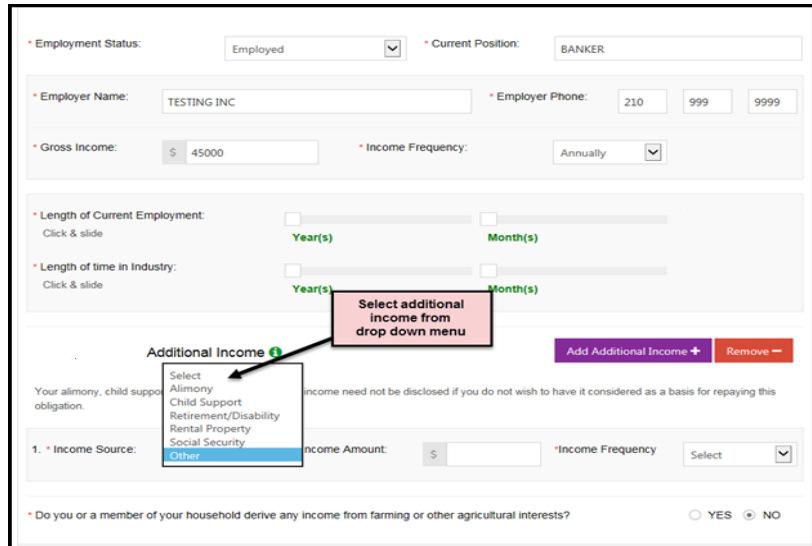
Additional Income

Enter Additional income for applicant HERE

Your alimony, child support and separate maintenance income need not be disclosed if you do not wish to have it considered as a basis for repaying this obligation.

1. * Income Source: * Income Amount: * Income Frequency:

* Do you or a member of your household derive any income from farming or other agricultural interests? YES NO



The screenshot shows a digital application form for Farm Bureau Bank. Key fields include:

- Employment Status:** Employed (dropdown)
- Current Position:** BANKER
- Employer Name:** TESTING INC
- Employer Phone:** 210 999 9999
- Gross Income:** \$ 45000
- Income Frequency:** Annually (dropdown)
- Length of Current Employment:** Slider for Year(s) and Month(s)
- Length of time in Industry:** Slider for Year(s) and Month(s)
- Additional Income:** A section with a green plus icon and a dropdown menu. A red box with an arrow points to the dropdown menu, containing the text "Select additional income from drop down menu". The dropdown menu options are: Select, Alimony, Child Support, Retirement/Disability, Rental Property, Social Security, and Other.
- Buttons:** "Add Additional Income +" and "Remove -"
- Disclaimer:** "Your alimony, child support obligation. Income need not be disclosed if you do not wish to have it considered as a basis for repaying this..."
- Income Source:** 1. * Income Source: (dropdown)
- Income Amount:** \$ [input field]
- Income Frequency:** Select (dropdown)
- Final Question:** "Do you or a member of your household derive any income from farming or other agricultural interests?" with YES and NO radio buttons.

- No applicant will be considered with a bankruptcy, repossession or foreclosure in the last five years
- If an additional applicant is necessary for income purposes, have the additional applicant contact Farm Bureau Bank with the application number to supply their information
- For a faster response, all applicants should apply at the same time through the agent

B. Applicant Contact

Farm Bureau Bank may need to periodically contact the customer to obtain or verify additional information.

Examples:

- Verify collateral
- Employment verification
- Income verification
- Discuss credit concerns
- Verify dealer referred application information

Reminder:

Annual or Quarterly Loan Payments

To qualify for annual or quarterly payments, the member must meet policy guidelines:

- Must be an existing Farm Bureau Member or current Farm Bureau Bank customer for at least 90 days
- At least 51% of the income must be from seasonal sources, i.e. agriculture
- Minimum Credit Score of 730
- \$25,000 minimum amount financed
- Eligible Collateral: Autos/Trucks, Equipment, Commercial Vehicles
- Reimbursement for cash based purchases are only for purchases made within the last 90 days

Existing Policy Reminder

- Guarantors are reported to the Credit Bureau for business loans and business credit cards.

4. New Dealer Guidelines

The purpose and expectation of the Farm Bureau Bank Dealer Program is to identify and develop profitable Farm Bureau Insurance and Farm Bureau Bank relationships.

Farm Bureau Bank relies on the agent's assistance in screening our potential customers. These potential customers should be qualified Farm Bureau Insurance members or high potential prospects.

Application and Process Requirements

- Dealer must be located in the referring agent's direct local market, generally within one hour of the agent's office
- The loan application must be entered by a Farm Bureau insurance agent, staff member or applicant
- The agent or staff member must validate proper identification
- Collateral, sales price and amount financed information must be supplied.
- Purchase Order is recommended for accuracy.
- Farm Bureau Bank will not consider Pre-Approvals from Dealer Customer applications
- Loans must be closed in person at the agents office by the agent or agent's staff
- Agent or agent's staff are responsible for accurately completing and returning all required documentation

For questions regarding these guidelines, please contact Farm Bureau Bank at 866-601-1140, Monday through Friday, 7:00 a.m. to 7:00 p.m. CST. Saturday 8:00 a.m. to 12:00 p.m. CST.

5. Loan Matrix

Vehicles and Motorcycles				Recreational Vehicles			
Loan Amount	Year Model	Terms	Loan to Collateral Value	Loan Amount	Year Model	Terms	Loan to Collateral Value
\$50,000 and more	2011 - 2016	12 to 96 months	Up to 110%	\$20,000 - \$150,000	2011 - 2016	12 to 120 months	Up to 100%
	2009 - 2010	12 to 72 months	Up to 100%		2009 - 2010	12 to 72 months	Up to 95%
\$5,000 - \$49,999	2006 - 2008	12 to 60 months	Up to 100%	\$10,000 - \$19,999	2006 - 2008	12 to 60 months	Up to 95%
	2015 - 2016	12 to 72 months	Up to 110%		2011-2016	12 to 72 months	Up to 100%
	2012 - 2014	12 to 72 months	Up to 110%		2009-2010	12 to 72 months	Up to 95%
	2009-2011	12 to 72 months	Up to 100%		2006 - 2008	12 to 60 months	Up to 90%
Motorcycles: Add 1% to Vehicle Rates				Farm Bureau Bank does not finance Commercial Boats, Yachts or Ships			
Motorcycles: Add 1% to Vehicle Rates				Monthly payment plans only			
Other Consumer Vehicles				Light Weight Commercial Vehicles			
ATVs, Personal Watercrafts, Golf Carts, Snowmobiles and Lawn Mowers				Up to 1 Ton (i.e. F450, 4500 - Flatbed & Chassis) and Cargo Vans			
Loan Amount	Year Model	Terms	Loan to Collateral Value	Loan Amount	Year Model	Terms	Loan to Collateral Value
\$5,000 and more	2015 - 2016	Up to 60 months	Up to 110%	\$50,000 and more	2011 - 2016	12 to 96 months	Up to 110%
	2009 - 2014	Up to 48 months	Up to 100%		2009 - 2010	12 to 72 months	Up to 100%
Monthly payment plans only				\$5,000 - \$49,999	2006- 2008	12 to 60 months	Up to 100%
Add 1% to Vehicle Rates					2015 - 2016	12 to 72 months	Up to 110%
					2012 - 2014	12 to 72 months	Up to 110%
					2009-2011	12 to 72 months	Up to 100%
				2006-2008	12 to 60 months	Up to 100%	
				Add 1% to the Vehicle Rates			
Heavy Duty Commercial Vehicles				Equipment			
Over 1 Ton, Semi-trucks, Buses, Septic Trucks, Dump Trucks, Tow Trucks, Butane Delivery Trucks and Any Truck Transporting Hazardous Materials and requires to be placarded				Tractors, Combines, Skid Steers, Bulldozers, Forklifts, Plows, Livestock Trailers			
Loan Amount	Year Model	Terms	Loan to Collateral Value*	Loan Amount	Year Model	Terms	Loan to Collateral Value*
\$5,000 and more	2015 - 2016	Up to 72 months	Up to 90%	\$50,000 and more	2015 - 2016	Up to 84 months	Up to 90%
	2011 - 2014	12 to 60 months	Up to 85%		2011 - 2014	Up to 84 months	Up to 85%
	2006 - 2010	12 to 48 months	Up to 80%		2006 - 2010	12 to 72 months	Up to 85%
Maximum mileage of 500,000; Proof of current insurance and current commercial drivers license required; First payment due date within 60 days; Existing Farm Bureau member; Need to obtain location information where vehicle will be stored when not in use. Additional documents may be required. Equipment rates apply				\$5,000 - \$49,999	2015 - 2016	12 to 72 months	Up to 90%
					2015 - 2016	12 to 72 months	Up to 90%
					2006 - 2014	12 to 72 months	Up to 85%
				* Collateral Value for Heavy Duty Commercial Vehicles and Equipment is considered the lesser of purchase price or retail value as found in a nationally recognized valuation guide.			

2/22/2016