



**North Plains Groundwater
Conservation District**

P.O. Box 795

Dumas, Texas 79029

Phone 806-935-6401

Email: swalthour@northplainsgcd.org

Webpage: northplainsgcd.org

GENERAL GUIDELINES FOR LOAN APPROVAL

1. Eligible properties must have been irrigated 3 of the past 5 years and the loan proceeds will be used to improve the efficiency of the current system.
2. At the discretion of the Board of Directors, terms of loan shall be as follows:
 - (A) \$50,000 to \$150,000 up to 7 years
 - (B) \$ 0 to \$50,000 up to 5 years
 - (C) The term of the loan shall not exceed the life of the manufacturer's expected life of the system.
3. The due date for all annual payments will be January 1.
4. The interest rate to a borrower/applicant shall be the same interest rate charged to the District by the State plus one percent, but in no event higher than the lawful rate.
5. Borrower/applicants interest accrual will begin the date the loan is funded.
6. A non-refundable loan application fee of \$250.00 will be submitted by the applicant at the time the application is filed.
7. Eligible equipment shall include capital materials (equipment) for irrigation water delivery and application mechanisms.

The following equipment is approved for loans:

(A) Irrigation Water Delivery Equipment:

1. Aluminum or plastic above-ground pipe to replace open unlined ditches;
2. In-line flow meters or other flow measuring devices to measure distribution system flow or output of wells, if the meter is a part of the sprinkler.

(B) Irrigation Application Systems:

1. Low energy precision application (LEPA) sprinkler systems, either center-pivot or linear
 2. Low pressure sprinkler systems (either low pressure, low angle nozzles or low-pressure drop lines)
 3. Above Ground low-pressure drip (trickle) irrigation systems
 4. Real-time pivot tracking systems
 5. Furrow dikers to hold precipitation or irrigation water on cultivated land
 6. Conversion from "60 to "30 drops
 7. Conversion from any application to more efficient spray heads
8. Used equipment may be purchased with money borrowed under this loan program. Borrower/applicant will have such equipment inspected and appraised by a third-party qualified appraiser at his own expense and present the appraisal and inspection report with his application for loan to the District.
 9. Refinancing of existing systems will not be considered for a loan unless improved water conservation can be demonstrated with the loan funds.
 10. The maximum loan made to anyone person, either individually or as a guarantor or as a principal in a corporation or in any combination thereof, shall be \$150,000.
 11. For equipment to be permanently installed, land must be within the District's service area.
 12. Due to the limited funds available to support this program, priority will be given to applicants who have not previously obtained an Agricultural Water Conservation Equipment Loan from this District.
 13. The loan shall be limited to a maximum of eighty percent (80%) of the purchase price for above ground recoverable items. Any funds received from another governmental entity will be deducted from the total purchase price then the remaining costs will be eligible for funding.
 14. After review of the loan application, the Board will determine the collateral required to secure the loan.
 15. If the applicant is a tenant, this may require the landowner to assist in the collateralizing of the loan.
 16. Installation costs of any permanently installed equipment must be listed separately.
 17. Above-ground installation costs of center pivot systems must be listed separately.
 18. The non-recoverable parts of a center pivot system will be the electric line, the cement pad and underground pipe. Costs of these items will be listed separately.

19. For a partnership application, financial statements and I.R.S. returns for the last three years will be required from each individual in the partnership, as well as from the partnership as an entity.
20. Although corporations are considered to be separate entities under the law, a financial statement and I.R.S. returns for the last three years will be required from the principals, as well as from the corporation.
22. Members of the District's Board of Directors and/or staff shall be eligible to make a loan application, but shall absent themselves from any proceedings pertaining to their loan application.
22. The applicant shall secure, and keep in force throughout the term of the loan, natural disaster insurance on the system. The District shall be listed on the policy as a lien holder-loss payee for the equipment. Failure to do so will result in the District purchasing adequate insurance for the borrower and the premium, plus administrative fees, will be added to the loan balance.
23. There will be no penalty for early payment of the loan on the loan anniversary date. Interest will be pro-rated.
24. In the event of a late payment, a lawful penalty may be assessed, and a current Balance Sheet will be required. Reasonable attorney fees will be assessed.
25. Prior approval by the District manager will be required before any equipment may be moved.



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County _____
Application No. _____

Date Received _____
(in office)

APPLICATION FOR LOAN

Date _____

Applicant's Name _____

Address _____ Phone _____

City _____ State _____ Zip _____

Driver's License No. _____ Social Security No. _____

This loan shall be limited to a maximum of eighty percent (80%) of the purchase price for eligible capital items not to exceed \$150,000.

Description of the item(s) intended to be purchased with loan proceeds:

Costs must be reasonable and competitive for comparable equipment and services from other sources.

This loan request is in the amount of \$ _____.

The requested term of the loan is ___ years, with an annual fixed interest rate of 2.59 Applicant

_____ agrees to repay the loan in annual installments, with the first payment to be due and payable on January 1, 2021, and an equal payment due and payable on the same date of each year thereafter until the loan principal, administrative fee and interest are paid in full.

PORTABLE EQUIPMENT: For portable equipment the land on which the equipment will be located and used must be 100 percent within the District's service area. For a map of the District's boundaries, go to www.northplainsgcd.org

Legal description of headquarters tract:

Landowner's name _____

Landowners address _____

City _____ State _____ Zip _____

County _____ NW1/4, NE1/4, SW1/4, SE1/4

Section _____ Block _____ Survey _____ Abstract _____

Other description _____

Additional location description:

Landowner's name _____

Landowners address _____

City _____ State _____ Zip _____

County _____ NW1/4, NE1/4, SW1/4, SE1/4

Section _____ Block _____ Survey _____ Abstract _____

Other description _____

Attach complete description of any additional location/s where equipment may be located.

FIXED EQUIPMENT LOCATION: For equipment to be permanently installed, the land on which the equipment is to be installed must be 100 percent within the District's service area.

Legal description of property on which equipment will be installed:

Landowner's name _____

Landowner's address _____

City _____ State _____ Zip _____

County _____ NW1/4, NE1/4, SW1/4, SE1/4

Section _____ Block _____ Survey _____ Abstract _____

Other description _____

The applicant agrees that a first lien on the equipment purchased under this loan agreement shall be given to the lender by means of a Security Agreement and Combined Note. If the equipment is to be installed as a fixture, a fixture filing will be required. Forms will be furnished by the District.

The Applicant further agrees to the following provisions:

(a) The applicant's principal lender and/or current banking institution will be contacted. The applicant authorizes the principal lender to furnish financial information to the District and agrees to hold the loan officer or lending agency harmless for any information given regarding his credit history, etc., as such information may affect the approval or denial of this loan.

Name of principal lending institution _____

Name of loan officer _____ Title _____

Address _____

City _____ State _____ Zip _____ Phone _____

(b) Alternatively, if (a) is not met, a loan may still be made in such instances where the landowner on whose land the equipment purchased with the proceeds of this loan is to be installed and/or used agrees to co-sign this loan application. In so doing, landowner agrees that in the case of a default by the applicant under this loan, the landowner will accept full responsibility for payment of principal and interest and such other charges as may be a part of this loan. If the landowner agrees to this provision, this loan will constitute a fixture filing against the land.

(c) Before the issuance of the check(s), a tentative purchase agreement from the dealer and/or contractor, listing actual purchase and installation costs of the equipment to be purchased under this loan must be submitted. The check(s) issued as proceeds of this loan will be made payable jointly to the applicant and the dealer of the equipment purchased. If the cost of the equipment is not reasonable and competitive for comparable equipment and services from other sources, the loan will be denied.

(d) Applicant will provide a copy of the sales contract or proof of purchase within thirty (30) days following the distribution of loan proceeds. Sales contracts will include the model number(s) and the serial number(s) of equipment being purchased with proceeds of this loan.

(e) Applicant agrees to etch or stamp his Texas driver's license number and/or Social Security number

on the equipment purchased with this loan, so that the equipment can be identified.

(f) Applicant shall secure, and keep in force throughout the term of the loan, natural disaster insurance on the system. Proof of insurance shall be provided to the District annually with a loss payable clause in favor of the District as its interest may appear. Failure to do so will result in the District purchasing adequate insurance for the borrower and the premium, plus administrative fees, will be added to the loan balance.

The applicant must complete and attach a financial statement (provided by the District) showing all assets and liabilities, copies of I.R.S. returns for the last three years, together with a plan showing the cash flow necessary to repay this loan, to expedite the processing of this loan.

I have read all of the terms of this application and agree to abide by all of those terms.

Signature of applicant

Signature of co-signer

Date

Application approved _____ denied _____

Signature of Presiding Officer of Board
North Plains Groundwater Conservation District

Date