



*Panhandle Groundwater
Conservation District
P.O. Box 637
White Deer, Texas 79097
Phone 806-883-2501
Email: cew@pgcd.us
Webpage: www.pgcd.us*

LOAN CHECKLIST

WHEN APPLYING FOR A LOAN, THE FOLLOWING ITEMS MUST BE INCLUDED:

1. Application fee of \$250.00
2. Application for Loan
3. Balance Sheet
4. Income Statement
5. Term Loan Request
6. Income tax statements for previous 3 years
7. Invoice from dealer

IN ORDER TO CLOSE ON THE LOAN, THE FOLLOWING ITEMS MUST BE SUPPLIED TO THE DISTRICT:

- I. Serial and Model numbers of the equipment to be purchased
 1. Insurance policy on equipment with Panhandle Groundwater Conservation District named as loss payee
 2. Security Agreement & Combined Note
 3. UCCI Financing Statement
 4. If equipment is to be placed on rented property. a copy of the lease agreement and/or a letter stating that the equipment is owned by the tenant and that he/she has the right to move it.
 5. Power of Attorney. If applicable
 6. Deed of Trust for drip systems loans.
 7. GPS Location of where equipment is to be installed



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GENERAL GUIDELINES FOR LOAN APPROVAL

1. Eligible properties must have been previously irrigated 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 8 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 30 days following the date the loan is approved by the Board of Directors.
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;

(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. Pivot Real Time Tracking Systems
5. Furrow dikers to hold precipitation or irrigation water on cultivated land.

(C) Subsurface Drip Systems may be purchased with Agricultural Conservation Loan Funds if the criteria listed in the Subsurface Drip System Addendum supplementing and amending these Guidelines are met.

(D) Soil Moisture Equipment

1. Soil Moisture Probes
2. Automated Weather Stations

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. For portable equipment, at least fifty percent (50%) of the land owned and/or operated by borrower 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.

Addendum
Loans for Subsurface Drip systems

This Addendum supplements and amends, to the extent of any direct conflict in provisions, the “General Guidelines for Loan Approval” of the Panhandle Groundwater Conservation District and sets forth the District’s policies as follows:

1. All installed equipment must meet manufacturer installation specifications;
2. All installed equipment must be maintained in a manner that meets manufacturer specifications;
3. During the term of the loan, Panhandle Groundwater Conservation District, or its agents, servants, or employees, shall have the right to inspect all equipment and related systems and require compliance with manufacturer specifications;
4. The collateral required to secure the loan includes:
 - a. a first lien on the equipment; AND
 - b. either
 - (1) a deed of trust giving the District a lien on non-homestead land; OR
 - (2) an irrevocable letter of credit from a bank; OR
 - (3) the assignment to the District of liquid assets, such as a certificate of deposit The value of all collateral in paragraph 4(b) shall be in an amount or with sufficient equity to cover the full amount of the loan proceeds;
5. An additional non-refundable loan application fee of \$150.00 will be submitted by the Applicant at the time the Subsurface Drip system application is filed;
6. Applicant will pay reasonable attorney’s fees for the preparation and filing of any deed of trust;
7. The loan amount will be limited to a maximum of eighty percent (80%) of the cost of the equipment, plus installation, excluding any portion of the cost of the equipment cost-shared under a federal program. The maximum loan made annually to any one person, either individually or as a guarantor, or as a principal in a corporation, or in any combination thereof, shall be \$150,000.00.

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 - (3) the assignment to the District of liquid assets, such as a certificate of deposit. The value of all collateral in paragraph 4.(b) shall be in an amount or with sufficient equity to cover the full amount of the loan proceeds;
5. An additional non-refundable loan application fee of \$150.00 will be submitted by the Applicant at the time the Subsurface Drip system application is filed;
6. Applicant will pay reasonable attorney's fees for the preparation and filing of any deed of trust;
7. The loan amount will be limited to a maximum of eighty percent (80%) of the cost of the equipment, plus installation, excluding any portion of the cost of the equipment cost-shared under a federal program. The maximum loan made annually to any one person, either individually or as a guarantor, or as a principal in a corporation, or in any combination thereof, shall be \$150,000.00.



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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 8 years, with an annual fixed interest rate of _____. Applicant agrees to repay the loan in annual installments, with the first payment to be due and payable on January 1, 201_, 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, at least fifty percent (50%) of the land on which the equipment is to be used must be within the District's service area. For a map of the District's boundaries, go to www.pgcd.us

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 _____

FIXED EQUIPMENT LOCATION: For equipment to be permanently installed, the land on which the equipment is to be installed must be 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 Water 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 Water 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
Panhandle Groundwater Conservation District

Date

TYPE OF APPLICANT
 Individual Corporation
 Partnership Joint
 Other _____

TERM LOAN REQUEST

Loan No. _____

Request of _____ as of / / _____ Lender

Purpose	
\$ _____	
List Items Traded:	Less Trade-In or Cash \$ (_____)
Total Loan \$	

Repayment		
Source	Date Due	Amount
		Total Repayment \$

Other Repayment Requirement	
(NO. PAYMENTS) _____ (DATE) _____	Payments Due _____ Beginning (MONTHLY, QUARTERLY, SEMI-ANNUAL) at \$ _____ for a Total of \$ _____

Collateral							
							\$
							\$
							\$
							\$
							\$
							\$
							\$
Sub-Total \$							
Maturity D/T	Acres	Date Appraised	Appraised Value	Title Verification	Adjustments	Prior Lien	Lender Value
				\$			
				\$			
				\$			
				\$			
Total Collateral \$							

The above information is true and correct to the best of my knowledge and is given for the purpose of obtaining credit. It is further understood that all proceeds from the sale of any collateral will be applied to the indebtedness.

Signature _____ Signature _____
 Signature _____ Signature _____

APPROVALS (Lender Use Only)			
Loan Reviewer	Date	Board Approval _____	Disapproval _____
		Approval Requirements	
District Approval	Date / /		

BOARD MEMBERS	

BALANCE SHEET

As of / / to Panhandle Groundwater Dist. Lender

Type of Balance Sheet	<input type="checkbox"/> Individual	<input type="checkbox"/> Joint	<input type="checkbox"/> Other
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	

NAME (S) _____

ADDRESS _____ **COUNTY** _____ **STATE** _____ **ZIP** _____

CURRENT ASSETS		CURRENT LIABILITIES	
Cash & Savings (Schedule 1)		Lender Principal & Interest	
Current Portion Notes & Accounts Receivable (Schedule 2)		Current Interest Due All Loans (Schedule 9, 10,11)	
Marketable Securities (Sch. 3)		Current Principal Portion Real Estate Debts (Schedule 9)	
Livestock (Schedule 4)		Current Principal Portion Inter. Term Debts (Schedule 10)	
Cash Value Life Insurance		Prin. Other/Current Debts (Sch. 11)	
Prepaid Items (Schedule 5)		Loan On Life Insurance	
Inventories (Schedule 6)		Estimated Income Tax	
		Accounts Payable (Schedule 12)	
Borrower Stock			
Subtotal Current Asset	\$	Subtotal Current Liabilities	\$
INTERMEDIATE ASSETS		Intermediate-term Liabilities	
Equipment		Longer-term Portion Intermediate Term Loans (Schedule 10)	
Vehicles (Number _____)			
Retirement Funds			
Other Securities (Sch. 3A)			
Borrower Stock			
Subtotal Intermediate Asset	\$	Subtotal Intermediate Liabilities	\$
LONG TERM ASSETS		Long-term Liabilities	
Noncurrent portion Notes and Accounts Receivable (Schedule 2)		Long-term Portion Real Estate Debts (Schedule 9)	
Investment in Partnership and Closely Held Corp. (Schedule 7)		Deferred Income Taxes	
Real Estate (Schedule 8)			
Borrower Stock			
Subtotal Long-term Asset	\$	Subtotal Long-term Liabilities	\$
		Total Liabilities	\$
TOTAL ASSETS	\$	NET WORTH	\$

Sources of Income Other than Agricultural Production: _____ Total Annual Other Net Income \$ _____
 (Continue on Back of Statement, if Needed)

Are there any judgements of record against you?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Total Life Insurance Carried is \$ _____ Has any part of the insurance been assigned <input type="checkbox"/> Yes <input type="checkbox"/> No
Have you ever been or are you now in bankruptcy? ..	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Are you a party to any lawsuit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Do you have contingent liabilities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

(Explain any Yes answers on the back of this statement)

I (we) certify that the foregoing, including all schedules and attachments, is true and correct to the best of my (our) knowledge and fairly presents my (our) financial position as of the aforesaid date; and I (we) further acknowledge that this lender is protected by federal statutes that make it a criminal offense to make a false statement in the above presentation of financial worth or to sell or convert to my (our) own use any property mortgaged to the lender.

Signature _____	Signature _____
(Date)	(Date)
Signature _____	Signature _____
(Date)	(Date)

PANHANDLE GROUNDWATER CONSERVATION DISTRICT

**BALANCE SHEET SCHEDULE
ASSETS**

Name: _____ Date: _____

No. 1	Cash and Savings					
Name of Institution	Location	\$ Checking	\$ Savings	\$ CDs	Total	
Total \$						
No. 2	Notes and Accounts Receivable					
Name of Debtor	% Rate	Date Due	Accrued Interest	Current Balance	Long-Term Balance	
Total					\$	\$
No.3	Marketable Securities/Stocks and Bonds					
Name of Corporation	No. Shares	\$ Cost	\$ Restricted	Pledged (Yes or No)	Market Value	
Total \$						
No. 3-A	Other Securities/Stocks and Bonds					
Name of Corporation (Co-op)	No. Shares	\$ Cost	\$ Restricted	Pledged (Yes or No)	Market Value	
Total \$						
No. 4	Livestock					
Description	No. Head	Age or Weight	Brands	\$ Per Unit	Value	
Total \$						
No. 5	Prepaid Items					
Description	Quantity	Date Paid To	Value			
Total \$						
No. 6	Inventory on Hand					
Description	Quantity	\$ Per Unit	\$ For Use	\$ For Sale	Value	
Total \$						
No. 7	Investments In Partnerships & Closely Held Corporations					
Name	Nature of Business	% Owned	\$ Personal Liability	Balance Sheet Attached (Yes or No)	Value	
Total \$						

PANHANDLE GROUNDWATER CONSERVATION DISTRICT

PROJECTED ANNUAL INCOME

Crops	Acres	Dry	Irr.	Yield/Acres	Price	Gross	Less Rent	Net
Cotton				B/C	\$	\$	\$	\$
				B/C				
Corn				Bu.				
				Bu.				
				Bu.				
Wheat				Bu.				
				Bu.				
				Bu.				
Sunflowers				Lbs.				
				Lbs.				
Milo				Lbs.				
				Lbs.				
Livestock								
Other								

Total Estimated Annual Income \$ _____

ESTIMATED EXPENSES

Seed	\$
Irrigation, natural gas	
Irrigation, electricity	
Irrigation fuel, other	
Fertilizer	
Chemicals	
Fuel and Oil	
Machinery repair	
Machinery hire	
Hired labor	
Auto-truck expenses	
Local tax (county, school, etc.)	
Insurance	
Federal Income Tax	
Living Expenses	

TOTAL ESTIMATED ANNUAL EXPENSES \$ _____

INCOME ABOVE EXPENSES \$ _____