



Applying to Become an FSA Intermediary for the Heirs' Property Relending Program 2.0

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- This presentation is being recorded and will be made available along with a copy of the presentation slides after transcription has been completed.
- Don't hear audio through your device? Audience phone bridge is available
- Questions should be submitted through the chat box. We will do our best to answer questions during the presentation. Any questions not covered in the presentation will be covered in a later released FAQ document.



Who are eligible intermediary lenders?

- The types of entities eligible to serve as intermediaries for HPRP are cooperatives, credit unions, and nonprofit organizations.
- Certified as a community development financial institution under 12 CFR 1805.201 (or successor regulations) to operate as a lender.

Note: Interested intermediary lenders should ensure that all eligibility requirements are met prior to applying for the HPRP.

Applying to Become an FSA Intermediary for the Heirs' Property Relending Program

September 15, 2021 2:00 - 3:30 p.m. EST

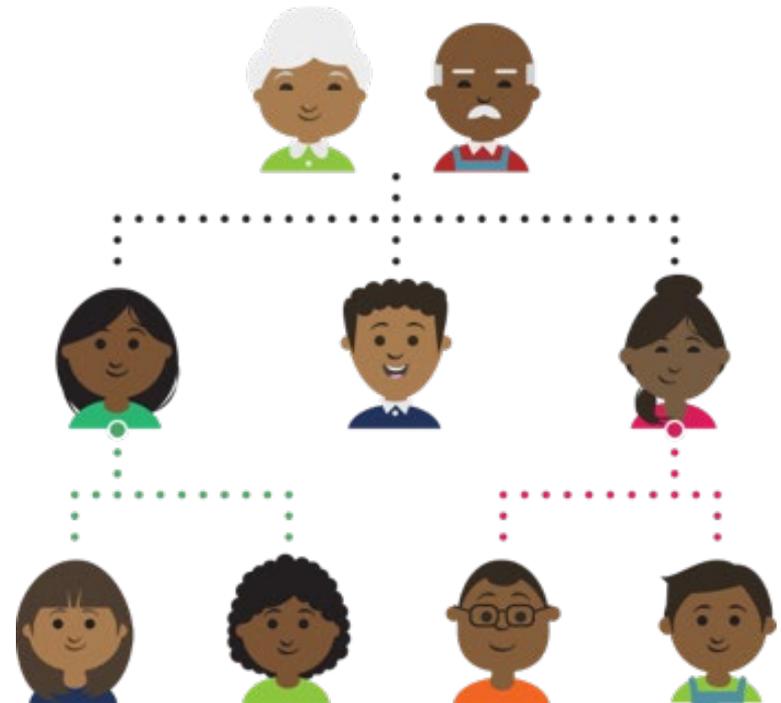
Interested in becoming a re-lender with USDA's new Heirs' Property Relending Program? Join the FSA National Office Senior Loan Specialists as they discuss in detail the requirements and responsibilities of relenders and specifically how to submit an application to become an intermediary lender. [Presentation Slides](#)

Can be found at:

<https://www.fsa.usda.gov/programs-and-services/outreach-and-education/webinars/index>

What is Heirs' Property?

Heirs' Property is family-owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate.



Authorizing Statute

- Section 5104 of the 2018 Farm Bill (Pub. L. 115-334)
- Authority: 5 U.S.C. 301 and 7 U.S.C. 1989



This particular program is completely separate from SEC. 1006 of “American Rescue Plan Act of 2021”. (HR 1319).

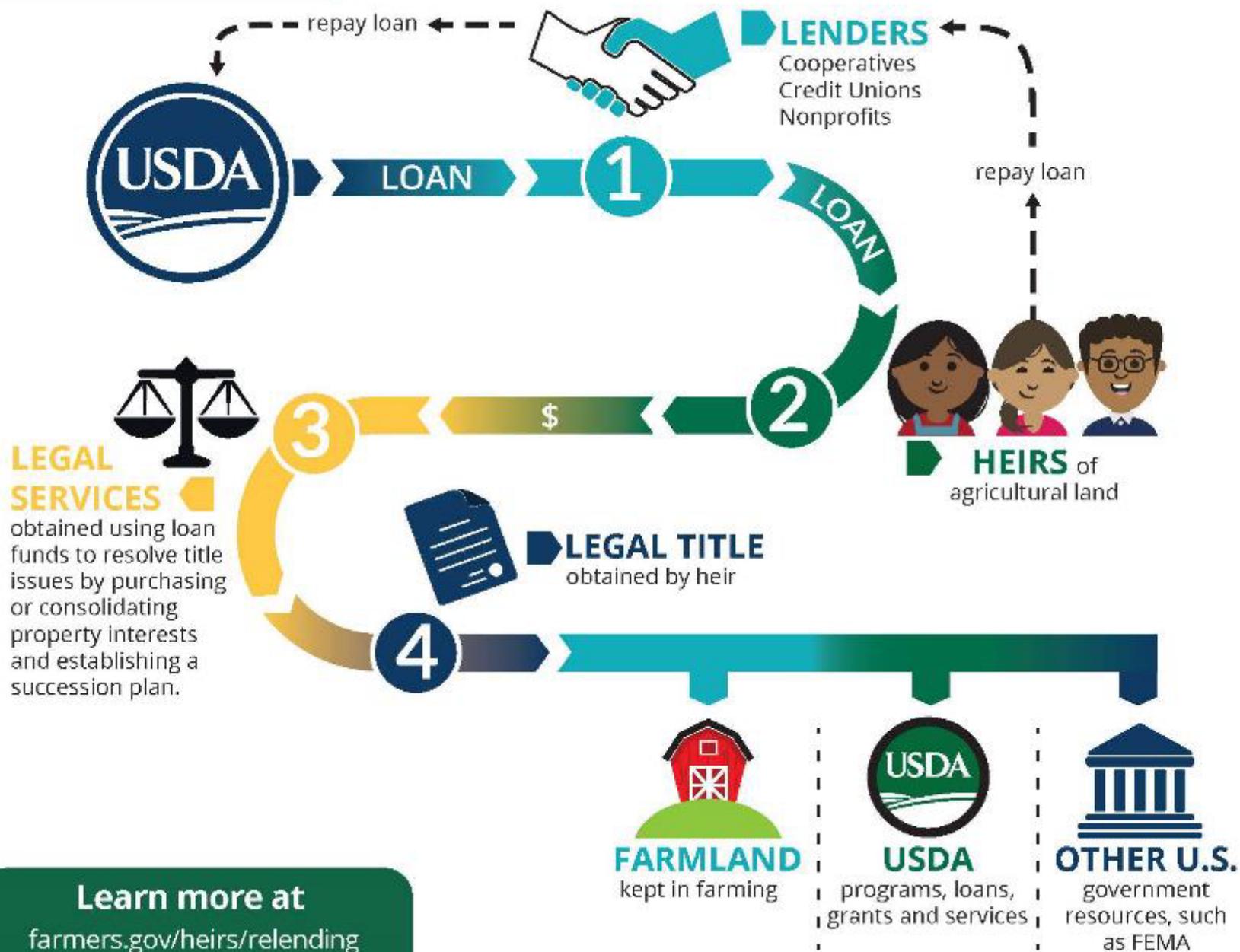
- **Final Rule of the HPRP published on August 9, 2021.**
- **Federal Register Document available at:**
<https://www.federalregister.gov/documents/2021/08/09/2021-16459/heirs-property-re lending-program-hprp-improving-farm-loan-program-delivery-and-streamlining>
- **The application period opened on August 30, 2022 and will continue indefinitely until a closing date is announced**

Purpose of the HPRP



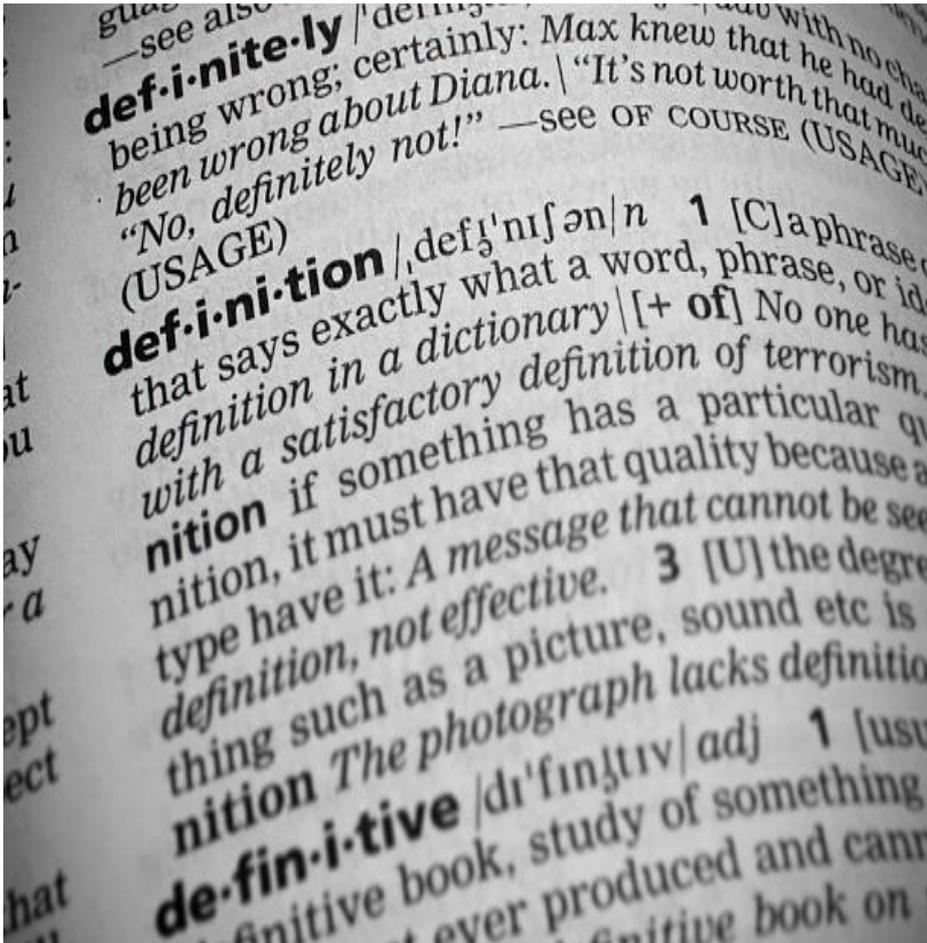
- **Assist heirs with undivided ownership interest**
- **Succession Planning**

How it Works



Learn more at
farmers.gov/heirs/relending

Frequently used Terms/Definitions



- Heirs' Property
- Intermediary
- Succession Plan
- Ultimate Recipient

HPRP Eligibility Requirements

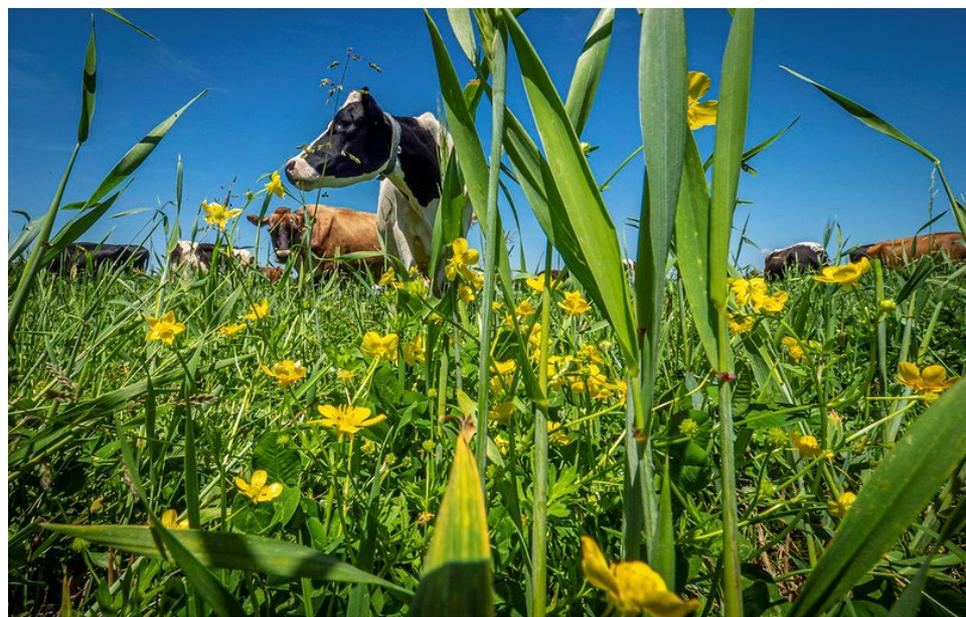
Intermediaries

- Eligible entity types
- Certification
- Citizenship
- Experience



Ultimate recipient

- Be an individual
- Related by blood
- Succession plan



The Loan Application & Approval Process

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Intermediaries

- Direct loans to eligible ultimate recipients.

Ultimate Recipients

- Assist heirs with undivided ownership interests
- Fees associated with succession plan.
- Consolidate fractional interests.

Intermediary Lenders

- \$5 million for each intermediary
- Interest rate of 1%.
- 30-year maximum loan term

Ultimate Recipients

- \$600,000 maximum loan limit.
- Interest rate set by intermediary lender.
- 30-year maximum loan term

Intermediary Loan Application

1. Form FSA-2637
 - a. Attach the last 3 years of audited financial statements or income tax records including a balance sheet
 - b. Submit the original of this application and all supporting documents to the USDA
2. Relending Plan
3. Copy of certification as a CDFI
4. Add and identify Civil Rights form
5. Documentation of ability to administer HPRP funds.
6. Names of attorneys or third parties involved in the application process

Intermediary's Relending Plan

- Must include the proposed application for ultimate recipients, loan documents and security instruments, and the following from 7 CFR 769.157:
 - The Service area;
 - Fees and charges to be assessed to the ultimate recipient;
 - Eligibility criteria for the ultimate recipient;
 - Authorized loan purposes;
 - Loan limitations;
 - Loan underwriting methods and criteria;

Intermediary's Relending Plan – Cont.

- Loan rates and terms;
- Security requirements;
- Method of disbursing funds to ultimate recipients;
- Process for addressing environmental issues (7 CFR 799);
- Process for reviewing loan requests and determining eligibility;
- Description of internal control process;
- Monitoring and servicing of loans
- Amount set aside for bad debts
- Requirements for maintaining hazard insurance, life insurance, flood insurance and fidelity bond.

- **Those applicants with at least 10 years or more of experience with socially disadvantaged farmers;**
- **Adoption of the Uniform Partition of Heirs Property Act (UPHPA)**



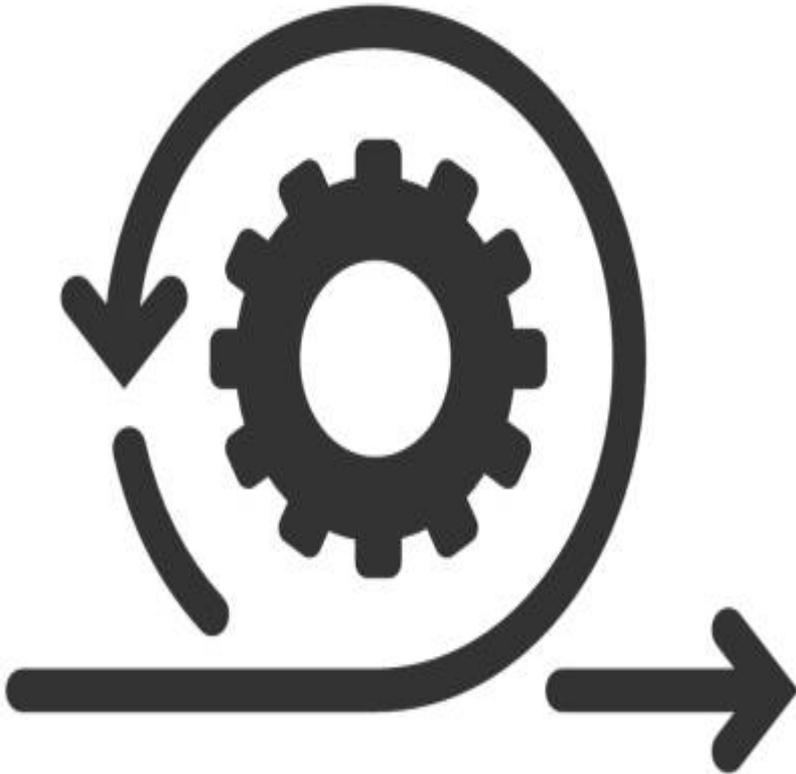
States include: Alabama, Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Iowa, Illinois, Mississippi, Missouri, Montana, Nevada, New Mexico, New York, Rhode Island, Texas, South Carolina, Virginia and the Virgin Islands.

Demographic Data



- **Demographics data from ultimate recipients**
- **Voluntary Request.**
- **Availability to FSA**

Compliance



- **Environmental compliance**
- **Process to address environmental issues.**

Application Form



Eligible intermediary lenders can apply using:

[FSA – 2637: Heirs Property Relending Program Application for Loan](#) (PDF) – this form is for eligible intermediary lenders. It provides FSA information for the analysis and loan determination process.

The application package should be sent via:

email: sm.fpac.fsa.wdc.hprp@usda.gov

Current Intermediary Lenders

Cherokee Nation Economic Development Trust Authority (CNEDTA)



Akiptan, Inc.

Shared Capital Cooperative

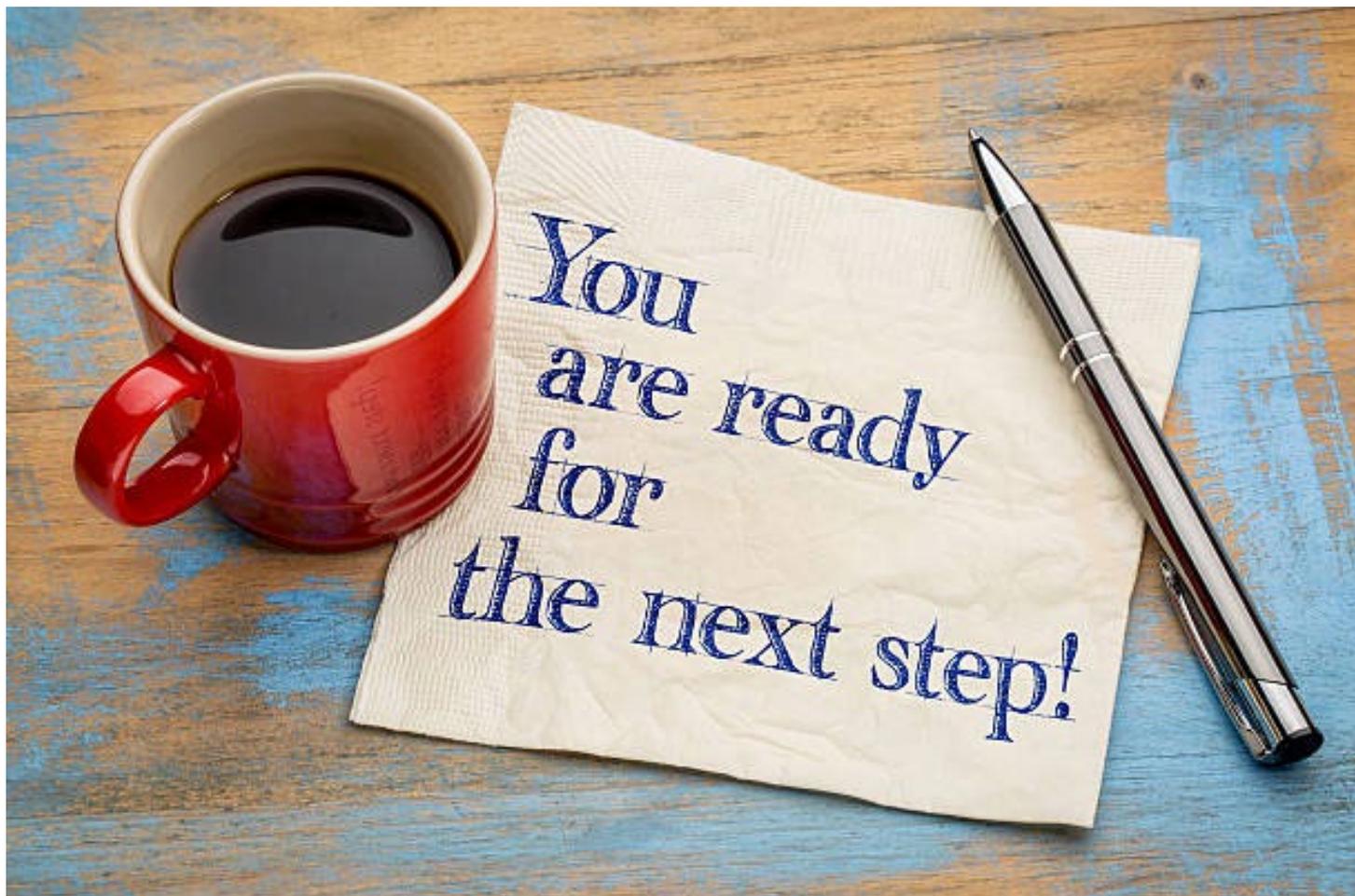


**Shared Capital
Cooperative®**

BUILDING ECONOMIC DEMOCRACY



United States
Department of
Agriculture

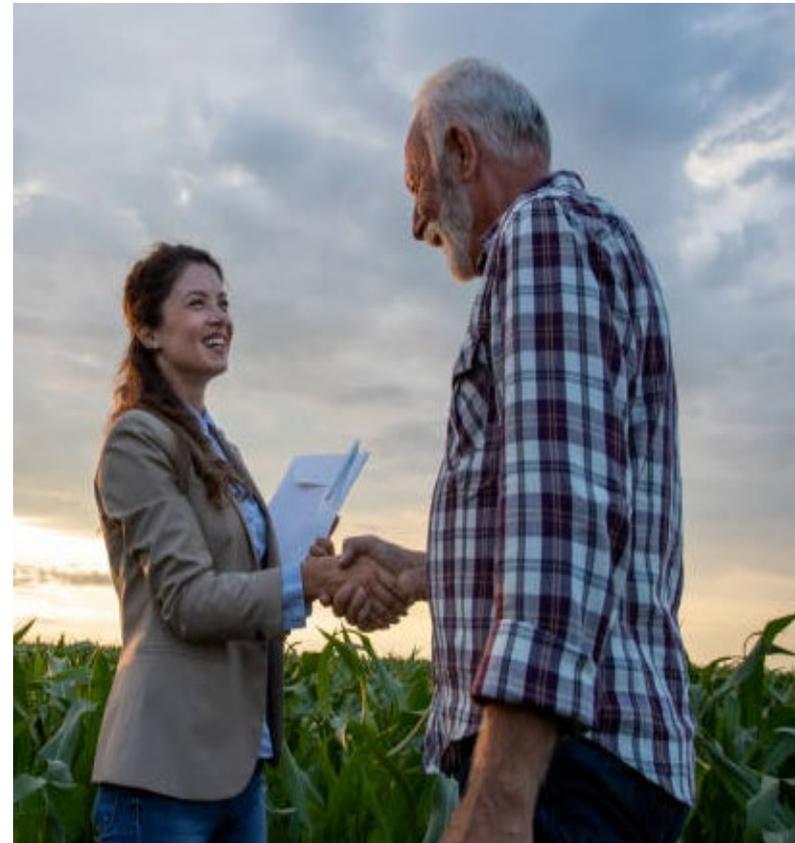


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5-Year HPRP Outreach & Technical Assistance Agreement

- **Some assistance available to Heirs:**
- Assistance with application loan readiness
- Assisting heirs with understanding the loan process
- Offering estate planning assistance
- Offering attorney referral services



5-Year HPRP Outreach & Technical Assistance Agreement



- ***Some assistance available to CDFIs:***
- Helping them to identify ready applicants
- Assisting with preparation for Heirs to apply
- Assisting them with pointers on providing technical assistance during all phases of the applicant/borrower loan process

Working With Partners

- **Unique Approach**
- **Ability to Strengthen Services Offered**
- **Doesn't require FSA Involvement**



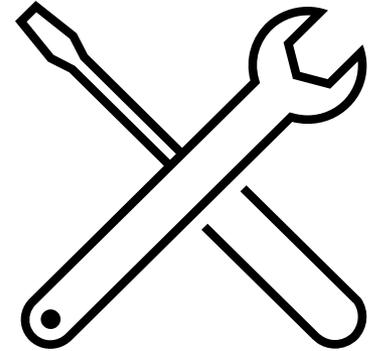
Note: While FSA does not limit anyone's ability to partner or work with a partner, all eligibility requirements for the HPRP must still be met.

- Apply to be a relender, if eligible*
- Help FSA to spread the word! Get connected with your local [State Outreach Coordinators \(usda.gov\)](#)
- Utilize the program Amplification Resources*



Program Amplification Resources

Resources are available on
farmers.gov/heirs/releasing



Contents available to help you amplify the program:

- Program Information
- News Releases
- Previous Educational Webinars
- Helpful links to factsheets, translated resources and Program FAQ.
- Coming soon-Stakeholder Toolkit

Contact Information

Akiptan, Inc.

Contact: Skya Ducheneaux at
skya@akiptan.org or (605) 964-8081 ;
and
Dawn LeBeau at dawn@akiptan.org
Website: <https://www.akiptan.org/>

Cherokee Nation Economic Development Trust Authority (CNEDTA)

Contact: Stephen Highers at
stephen-highers@cherokee.org, (918)
207-3955; and
Brian Wagmon at (918) 453-
5531, sbac@cherokee.org
Website: <https://www.cherokee.org/>

Shared Capital Cooperative

Contact: Shared Capital Cooperative,
heirsloans@shredcapital.coop
Website: <https://sharedcapital.coop/>

Federation of Southern Cooperatives/ Land Assistance Fund

Contact: Federation of Southern
Cooperatives,
loanfund@federation.coop;
or info@federation.coop

Website: <https://www.federation.coop/>

We are here to help!

If you have any questions, please contact either:

Md Z Mutaleb

Senior Farm Loan Officer

Raenata Walker-Cohen

Direct Loans and Funds Management Branch Chief

Email: sm.fpac.fsa.wdc.hprp@usda.gov or
FSAOutreach@usda.gov