

Key: R = Required; D = Discretionary; V = Varies by Borrower

TYPES OF DOCUMENTATION	AGRICULTURAL REAL ESTATE	REAL ESTATE COMMERCIAL	REAL ESTATE CONSTRUCTION	REAL ESTATE RESIDENTIAL	COMMENTS
Financial Statements - Annual	R	R	R	D ⁴	Need to verify financial condition, debt level, and repayment capacity.
Self-Prepared	D	D	D		Acceptability of self prepared financial statements depends on complexity and size of loan. At loan inception and renewals, self prepared FS should not be older that 6 months. For on going monitoring, FS should be less than 14 months old.
Professionally-Prepared	D	D	D		Depends on size and complexity of credit. At inception of credit, should not be older than 12 months. For ongoing monitoring, should not be older than 16 months.
Interim	D	D	D		Depends on requirements of loan agreement.
Legal Nature of Borrower	R	R	R		Legal nature legal name of borrower verified to ensure documents are appropriately executed.
Articles of Incorporation	V	V	V		
Certificate of Good Standing	V	V	V		
Partnership Agreements	V	V	V		
Authority to Borrow	R	R	R		Need to verify borrowing documents were authorized by borrowing entity (not required for sole proprietor).
Corporate Resolution	R	R	R		Required if borrower is corporation
Partnership/Guarantor Resolution	D	D	D		Could be found in partnership agreement. Guarantor resolution required if repayment relies on guarantor.
Evidence of Borrowing	R	R	R	R	
Promissory Note	R			R	
Loan Agreement	D	D	D		If credit is large/complex, loan agreement should govern credit. Absence of loan agreement could warrant loan administration comment. For oil and gas, loan agreement is sometimes needed, since lending involves asset valuation and repayment criteria that can change over time.
Completed Loan Application					
Purchase Money Contract					Required if relying on purchase money security interest. May also be necessary for indirect paper purchased from retailer.
Repayment Capacity	R	R	R	R	If relying on individual or guarantor, repayment capacity should be verified.
Credit Report					Need credit report if borrower is not current bank customer. Also needed for both borrower and co-signer on consumer installment credit or oil and gas.
Tax Returns	D ²	D	D	D	Detailed, accurate income information required. Tax return preferred.
Cash Flow		R	R		Income information should be sufficient to determine cash flow. Farm cash flow projections should be reasonable, using realistic estimates for crop prices, yields, and livestock prices. If oil and gas cash flow loan is dependent on cash flow, TE should be cited for failure to maintain.
Rent Roll		R			
Guaranty	D	D	D		Only cite if repayment of loan depends on guarantor that has actually agreed to guaranty loan.
Guarantor Financial Statement	D	D	D		Only cite if repayment of loan depends on guarantor that has actually agreed to guaranty loan.
Employer Pay Stubs or W-2					Verifies borrower income.
Take-Out Commitment			D		Needed if repayment comes from outside permanent financing.
Protection/Support/Other					
Borrowing Base Certificate					Necessary to monitor advances on lines of credit. Should be provided monthly unless loan agreement allows more liberal submission. For oil and gas loans, borrowing base usually sets the percentage amount of "expected case" of present worth of reserves or engineering loan value.
A/R Aging Report					Generally monthly aging reports is industry standard and should be required by loan agreement.
Landlord Lien Waiver					Required if collateral used or stored on leased space.
Inspection/Verification/Floorplan Checks			R		If repayment depends on collateral, should be verified at least annually by bank employee or independent accountant. For RE construction, inspections should validate draws.
M&E/Inventory Appraisal/Valuation					At inception and renewals, bank employee or third party should assess market/liquidation value of inventory and finished products.
RE Appraisal	R	R	R	R	Required if loan amount exceeds \$250M for non-commercial or \$1MM for commercial. Consult Regulation Y RE Appraisal guidelines for further instruction.
RE Evaluation	R	R	R	R	Required if loan amount is less than \$250M.
Livestock Inspection					Required annually. Must be w/in last 6 months to avoid adverse classification.
FSA Guaranty/Conditional Commitment and annual certification					Need to verify that guaranty is in effect. If bank not complying with conditional commitment and annual certification requirement, may require TE and loan administration comment.
Insurance - bank loss payee		R	D	D	Cite if loan is collateral dependent. Otherwise, provide information to AQM for loan administration comment. On Residential Real Estate, flood insurance is needed in certain flood zones.
Builders Risk Insurance - bank loss payee			D		
Subordination Agreement					Required if prior lien holders exist. If purchase money security interest, need notification of prior lien holders.
Engineering Report					Required for larger credits. Can be prepared by engineer or geologist. Values mineral interests to present value. MUST BE LESS THAN 12 MONTHS OLD.
Bank-Prepared Valuation					Required for smaller credits. Banks sometimes take prior "average" of 12-24 months oil run histories and multiply by 36 to get production value. M&E valued separately.
Environmental Study - Phase I		D	D	D	Depends on nature of project and loan amount.
Lien Perfection	R	R	R	R	Required for secured loans.
Security Agreement		D ³	D ³		Usually part of promissory note.
Financing Statement/UCC/EFS		D ³	D ³		Depends on type of collateral.
DMV Lien Entry					Required for automobiles.
Invoicing Agreement					When funding directly to manufacturer, drafting or invoicing agreement should specify disbursements and delivery procedures.
Equipment Invoice/Bill of Sale					Should have bill of sale or invoice to verify cost and support purchase money security interest.
Trust Receipts/MSO's					Should have for large dollar purchases.
Filed DOT/Mortgage	R	R	R	R	For oil and gas, this contains legal description and refers to mineral rights.
Title Insurance/Final Title Opinion	R	R	R	R	Title policy is preferred method of verifying lien position. Reliance on title opinion for large complex credit may warrant loan administration comment.
Ownership and Encumbrances/Abstract	D	D	D		Acceptable only for junior lien positions or when RE is taken as abundance of caution.
Division Orders					Sets out borrower's interest in property and direct production payments.
Assignment of Production					Ensures oil run checks are sent to bank. If production is repayment source, bank should require this.
Assignment of Lease/Rents		R			Required if oil and gas operator has leased (not owned) mineral rights. For commercial real estate, required if repayment depends on lease income.
Subcontractor Lien Waiver			D		Depends on size and complexity. Could lead to loan administration comment.

1 Tax returns only needed for self-employed borrowers on consumer installment loans.

2 Special attention to farm income/loss and off-farm income.

3 If materials, furniture/fixtures, or leasehold improvements add material value to collateral, lien should be perfected on these items.

4 Only needed at origination.