



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

COMPETING ON A NEW PLAYING FIELD: NON-TRADITIONAL LENDERS

William Bennett

**Proceedings of a Seminar sponsored by
North Central Regional Project NC-207
“Regulatory, Efficiency and Management Issues Affecting Rural Financial Markets”
Kansas City, Missouri
October 16-17, 1995**

Department of Agricultural Economics And Rural Sociology
221 Agriculture Building
Fayetteville, Arkansas 72701

January 1996

Copyright 1995 by author. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Competing on a New Playing Field: Non-traditional Lenders

William Bennett

Corporate Credit Manager, MFA Incorporated, Columbia, Missouri

**AGMO organized
February 18, 1965**

Ownership:

MFA Incorporated 94%
MFA Local Exchanges 6%

Criteria For Doing Business With AGMO

- Board President and Secretary must sign a Membership and Discounting Agreement.
- Location must purchase stock in AGMO. Stock is \$100.00 a share. One share is needed for each \$1,000.00 of loan value (10% investment).

Criteria For Doing Business With AGMO

- Location must be an affiliate of MFA Incorporated.
- Location Board of Directors must pass a resolution to do business.

Total Loc with CoBank

\$25,000,000

Total Dollar Amount of Applications Received Last Year

\$38,952,295

Largest Loan Approved

\$3,280,000

Average Size of Approved Loan

\$ 17,708

AGMO Corporation				
	No.	%	Dollar Volume	%
Acceptable	30	71	\$4,393,507	86.0
OAEM	7	17	403,105	7.9
Substandard	5	12	309,700	6.1
Doubtful	----	----	----	----
Loss	----	----	----	----
Total Loans	42	100	\$5,106,312	100