

Arkansas Agriculture Water Quality Loan Program (AgWQLP)

Guidance Document/Handbook
Revised: January 2024

The purpose of the AgWQLP is to provide a source of low-interest financing for conservation practices to significantly reduce non-point source (NPS) pollution that impacts water quality.




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EXECUTIVE SUMMARY

The Agriculture Water Quality Loan Program (AgWQLP) procedure for the implementation of non-point source (NPS) conservation practices for agriculture depends upon cooperation among the Arkansas Natural Resources Division (Division), United States Department of Agriculture's Natural Resources Conservation Service (NRCS), Conservation Districts (Districts), and Financial Institutions. The Division's Water Resources Development Section will supervise program implementation. The Division sets the interest rate and the maximum principal balance of each applicant. Currently, the interest rate is set at 3% and the maximum principal balance of all outstanding loans for any one cooperator is set at \$250,000.

When a Cooperator works with NRCS and the District to develop a plan to improve their operations, the availability of the AgWQLP will be presented to the Cooperator. If interested, the Cooperator will request a funding application from the District. The funding application will be completed by the Cooperator and returned to the District for approval by the District and Division. If approved, the Cooperator will receive an AgWQLP Certificate of Qualification from the District. The Cooperator will then contact a participating financial institution and present the Certificate to secure a loan with an amount that does not cause the maximum principal balance of \$250,000 to be exceeded.

After the Cooperator completes a credit application, the financial institution will conduct the loan underwriting review, including a lien search and all other necessary procedures. If approved, the financial institution will follow up with the cooperator directly to initiate the loan. All payments and further financial coordination will be conducted between the financial institution and the Cooperator. NRCS and/or the District will provide technical assistance and inspection throughout construction of the conservation practices. After construction, NRCS and/or the District will conduct a final inspection to insure compliance with design specifications.

CHAPTER 1

I. Legal Authority for the Agriculture Water Quality Loan Program (AgWQLP)

This program is authorized by Arkansas Code §15-5-901.

II. Definitions

The following list includes a definition of various terms used with respect to the AgWQLP:

- a) Arkansas Natural Resources Division or Division - The state agency responsible for the administration of the AgWQLP.
- b) Agriculture Water Quality Loan Program or AgWQLP - Loan program funded by the Division's Revolving Loan Fund program and coordinated with the Districts for low interest loans for the implementation of approved agriculture conservation practices to protect water quality as established in the Arkansas AgWQLP Guidance Document.
- c) AgWQLP Certificate of Qualification - The document issued by the District certifying eligible practices and the eligibility of the cooperator to participate in the AgWQLP.
- d) Cost Share - Funding allocated to pay a percentage of the cost of constructing or implementing a conservation practice. The remainder of the cost is paid by the cooperator.
- e) Conservation District or District – the conservation district in which the project plan land is located and that has entered into a participation agreement with the Division to assist Cooperators in the AgWQLP.
- f) Cooperator - a landowner or leasee that a District provides or has agreed to provide services, materials, and equipment with respect to the Cooperator's land within the district. In order to be eligible for the program, a Cooperator must become a "District Cooperator" by signing a Memorandum of Understanding and agree to the development and implementation of a project plan on their property.
- g) Financial Institutions - State or national bank or farm credit banks that have entered into a participation agreement with the Division to make the AgWQLP available to cooperators.
- h) Funding Cap – Maximum funding available for the AgWQLP.
- i) Life of the Project – the NRCS Technical Standards provide information on how long each practice should last if properly maintained. The longest life time of the practices funded by an AgWQLP loan is the Life of the Project for that loan.
- j) Long-term Contract - The written contract between the cooperator and the District agreeing to comply with the project plan.

- k) Maximum Principal Balance - The total principal balance of (all loans, all financial institutions) for any one cooperator at any time which shall not to exceed \$250,000.
- l) Natural Resources Conservation Service (NRCS) - a part of the United States Department of Agriculture that provides technical assistance and funding to Cooperators.
- m) Project – implementation of one or more eligible AgWQLP Nonpoint Source Pollution reduction, control or abatement activities.
- n) Project Plan – The plan developed by and between the District and a cooperator that includes the planning, design and application of resource management systems to abate or prevent identified on-site or off-site problems with non-point source (NPS) pollution that impacts water quality. All project plans must be designed and implemented in compliance with NRCS technical standards to qualify. If the cooperator has or is developing a NRCS Conservation Plan, it can be used as the project plan as long as the improvements that funding is being sought are included in the Conservation Plan. Once the project plan is developed, the District will submit it to the Division for review and approval.

III. Purpose of the AgWQLP

The purpose of the Agriculture Water Quality Loan Program (AgWQLP) is to provide a source of low-interest financing for conservation practices to reduce non-point source (NPS) pollution that impacts water quality. This category of non-point source pollution abatement has been identified in the Arkansas Non-point Source Pollution Management Plan approved by the United States Environmental Protection Agency. The AgWQLP is funded from the Clean Water Revolving Loan Fund, established in 1989.

IV. Administration of the AgWQLP

The Division is the lead management agency responsible for the general oversight and fiscal management of the AgWQLP. The Division will work with the Districts and the financial institutions as needed and provide assistance to the Districts with projects that are eligible to receive funds and are consistent with approved project plans. Also, the Districts and the financial institutions are responsible for maintaining the necessary documentation on each of the approved AgWQLP loans. The Districts will assist the Cooperators in completing the necessary AgWQLP forms.

V. Project Plan

The Division’s Water Resources Development Section will coordinate the project development of the AgWQLP loans by performing the following function:

- 1) Reviewing the completed project plan to determine that the plan adequately describes the proposed work to be done;
- 2) Requires that the work will be done to the NRCS’s Technical Standards, and;
- 3) Assure that the work will provide some water quality benefit.

The District will coordinate the project development of the AgWQLP loans with the cooperators by performing the following functions:

- 1) Meeting with the Cooperator and developing a project plan that describes the proposed work to be funded by the AgWQLP loan. Representatives from NRCS can be included in this preparation. If the Cooperator has already developed a NRCS Conservation Plan or is developing one, the Conservation Plan can be used as the project plan if it includes the work that will use the AgWQLP funds.
- 2) What information to include in a project plan:
 - a. Project Description: describe the purpose, and how the project will be implemented:
 - i. Who – cooperator name and subsequent contact information.
 - ii. What – NRCS practice name & number applying to implement.
 - a. Include the description of the practice and what the cooperator is wanting to “buy or utilize” to facilitate implementation of the practice.
 - b. Include details about the resource management systems to abate or prevent identified on-site or off-site problems with non-point source (NPS) pollution that impacts water quality practices.
 - iii. When – time duration of the implementation, including loan term and amount, if known.
 - iv. Where – latitude and longitude of the farm and subsequent location information:
 - a. Total acres that will be impacted per year throughout duration of the loan.
 - b. Map of land with field numbers, farm number, etc. that will be impacted.
 - v. Why – does the cooperator want to do this:
 - a. Describe the environmental benefit related to NRCS conservation practice(s) applying to implement to reduce non-point source (NPS) pollution that impacts water quality.
 - vi. How – does the cooperator plan to pay it back, including a payment schedule, if known.
 - b. Farm conservation plan, if available.
- 3) Assuring the work proposed will address NPS concerns and will provide some water quality benefit.
- 4) Developing a long term contract with the Cooperator that assures the Cooperator will comply with NRCS’s Technical Standards both in construction and in maintaining the work for the life of the project. The contract shall provide for NRCS, the District and the Division to inspect the site for the life of the project.

VI. Loan Terms

The Division’s Water Resources Development Section will coordinate the financial management of the AgWQLP loans by performing the following functions:

- 1) Making AgWQLP funds available to participating financial institutions for projects

- 2) Monitoring the status of AgWQLP loans made with participating financial institutions.
- 3) Assuring that the current interest rate is used and maximum principal balance is not exceeded.
- 4) Notify the financial institutions when the funding cap has been reached, funds are no longer available for the AgWQLP, and setting up a waiting list of loans ready to close.
- 5) Notifying the financial institutions when one of their projects on the waiting list can be funded.

The financial institutions will coordinate the financial management of the AgWQLP loans with the applicant by performing the following functions:

- 1) Evaluating credit worthiness for AgWQLP cooperators to determine loan eligibility.
- 2) Evaluating current liens on cooperators' property.
- 3) Disbursing loan proceeds and receiving loan repayments from cooperators.
- 4) Monitoring and tracking loan proceeds.

CHAPTER 2

This chapter sets forth the eligibility requirements for the loan.

I. Eligibility Requirements for AgWQLP:

- 1) A funding application must be filed with the Conservation District after the project plan and long term contract have been signed.
- 2) Loans may be made only to those who are owners of record of the property containing the agriculture operation, or to a lessee if the term of their lease equals or exceeds the term of the loan.
- 3) The property must be located within the State of Arkansas.
- 4) Evidence of ability to repay the loan during its term and at the interest rate indicated shall be determined by the financial institution prior to the granting of any loan. An AgWQLP loan may not be approved if the applicant's credit record shows a disregard for former loan commitments or if there is a clear inability to make the payments that will be required.

CHAPTER 3

This chapter sets forth the terms and conditions to which a cooperator must agree to in order to obtain a loan under this program.

I. Terms and Conditions Relating to All Loans:

- 1) The total principal balance of all loans shall not exceed \$250,000 per cooperator at any time.

- 2) The interest rate on each loan shall be determined by each participating financial institution in conjunction with the Division based on current market conditions and the discount provided by the Division, as of July 1, 2016 the interest rate is 3%
- 3) The participating financial institution shall determine the term of the loan. The term shall not exceed 20 years or the life of the practice being financed as determined by the Division.
- 4) Applicant agrees to disclose all assistance for funding this project. AgWQLP funding will not be provided for costs paid for by any other assistance.
- 5) NRCS, the District or the Division must provide final construction inspections to determine that the practice(s) approved for the AgWQLP loan meet NRCS technical standards.
- 6) The AgWQLP loan repayments shall be determined by the participating financial institution.
- 7) The principal of the AgWQLP loan may be prepaid at any time without penalty.
- 8) Cooperator agrees to obtain broad form hazard insurance on any AgWQLP loan-funded structures and/or any AgWQLP loan-funded equipment that is part of the AgWQLP financed practice. The financial institution must be listed as the "loss payee" for the amount of the AgWQLP loan. If insurance is canceled during the life of the loan, then the financial institution shall notify the cooperator that the loan shall be due in full in 30 days unless another Certificate of Insurance is obtained.
- 9) Cooperator agrees, prior to transfer of property for which AgWQLP assistance has been provided, to inform the District in writing of pending transfer and either enclose a statement from the new owner that all agreements are understood and the new owner will accept this responsibility upon title transfer providing that the new owner has made application and qualified with the participating financial institution to accept the transfer of the loan, or cooperator will return that portion of the assistance representing the remaining balance of the loan on the property transferred.

II. Appeal

Upon receiving a denial of the project by the Conservation District, the cooperator has a right to appeal the decision. The appeal must be in writing and sent to the Director of the Arkansas Natural Resources Division or a specified designee. A reply will be given within thirty days of receipt of the appeal request.

All programs and services of the agencies cooperating in the NPS program are provided on a nondiscriminatory basis, without regard to race, color, religion, age, sex, marital status, handicap, or national origin.

III. Examples of Eligible Conservation Practices

As of July 1, 2016:

- Construction of tail water recovery systems
- Construction of irrigation reservoirs
- Purchase of no-till drills
- Construction of stacking sheds
- Construction of ponds and fencing for livestock
- Land-leveling

The list above is not intended to be all-inclusive and some of the practices may be removed from eligibility at a future date. Please refer to Section 4 of the NRCS Field Office Technical Guide (<https://efotg.sc.egov.usda.gov/>) for a complete listing of conservation practices.

In the event a cooperator would like to implement a practice not listed above, a project plan defining how the project's conservation practices will reduce non-point source (NPS) pollution that impacts on water quality must be submitted to the Division for review.

Additional information is available on the Natural Resources website:

<https://www.agriculture.arkansas.gov/natural-resources/divisions/conservation/agricultural-water-quality-loan-program/>

IV. Program Responsibilities

Conservation Districts

- Publicizes program with materials prepared by the Division.
- Become the primary point of contact for the cooperators.
- Creates a Project Plan describing the proposed work to be done.
- Provides AgWQLP funding application to applicants.
- Reviews AgWQLP funding application and determines acceptability.
- Executes a long term contract with the cooperator that assures the work will be done and maintained in accordance with NRCS's Technical Standards for the life of the project.
- Submits the project plan to the Division for review.
- Completes Certificate of Qualification for cooperator once the Division has approved the project plan.
- Can inspect the work during construction and after construction for the life of the project.
- Receives payment for services after loan closing from the Financial Institution.

Cooperator

- Works with the District to develop a Project Plan describing the proposed work to be done
- Submits AgWQLP funding application to Conservation District.
- Contacts a Financial Institution to file a credit application and the Certificate of Qualification.
- Agrees to site inspections by NRCS, the District and the Division during construction and as needed afterwards for the life of the project.
- Signs a long term contract stating he will construct the project and maintain the project after construction in accordance with NRCS's Technical Standards.

Financial Institution

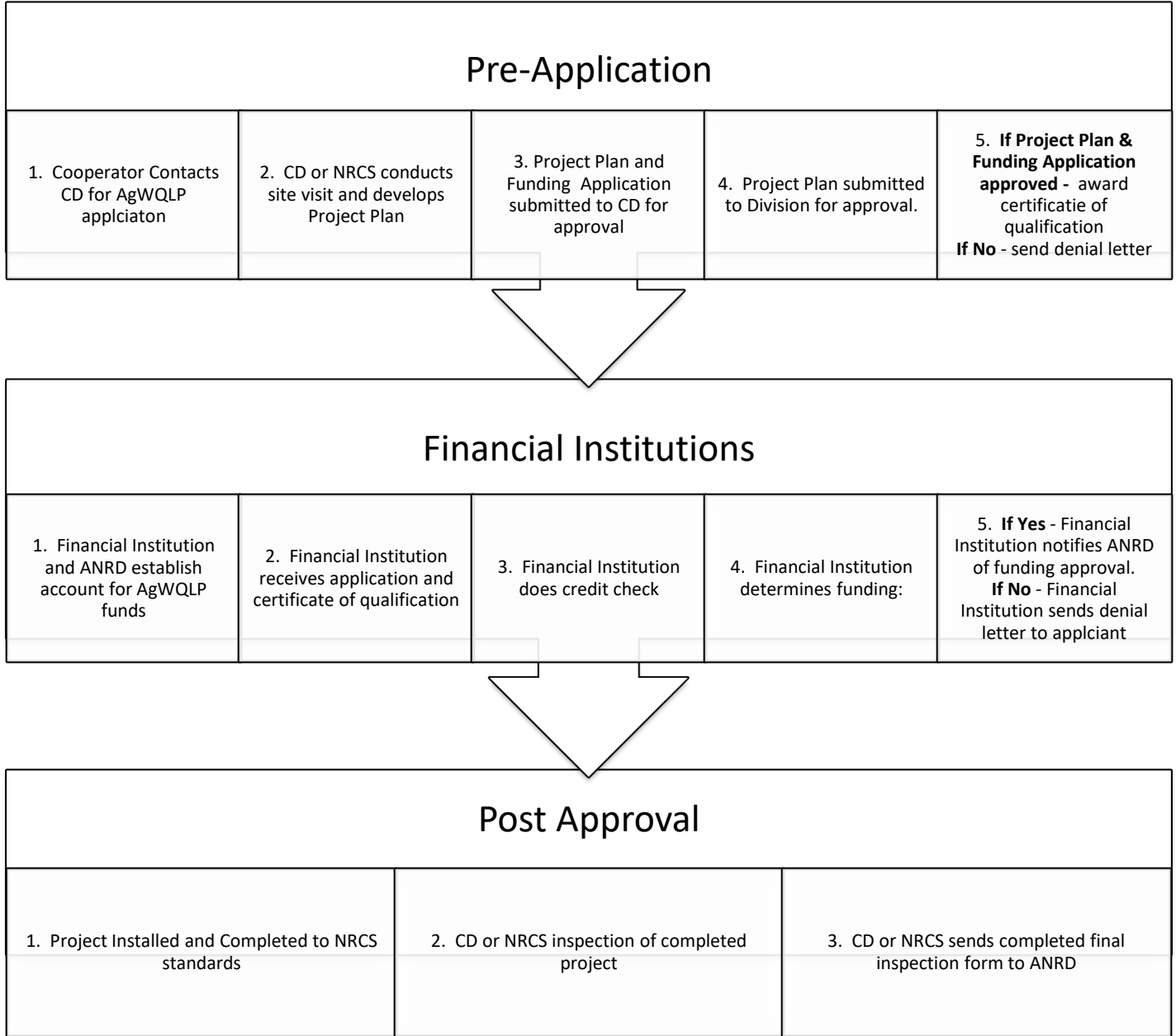
- Coordinates financial management of the AgWQLP loan with the cooperator
- Evaluates credit worthiness of the cooperator including loan collateral
- Confirm the Cooperator is the owner of the property or has a long term lease.
- Disburses loan proceeds
- Manages loan file

Division

- Reviews and approves the Project Plan
- Coordinates funding availability with Financial Institutions.
- Assures that the Cooperator has not exceeded the Maximum Principal Amount.
- May inspect the facilities at any time for the life of the project.
- Notify Financial Institution if/when the funding cap is reached
- Notify Financial Institutions if/when funding becomes available

How – does the cooperator plan to pay it back, including a payment schedule, if known.

V. Procedural Flowchart



CHAPTER 4

Funding Application Procedures

1. The Conservation District and NRCS will handle distribution of funding application.
2. Funding Application will be completed by the cooperator(s).
3. Cooperator will contact the District to obtain project approval for the project plan to be implemented.
4. Once the funding application has been completed, the document will be returned to the Conservation District
5. Conservation District will approve/disapprove funding application
6. Conservation District affirms inspections will occur, at a minimum, upon completion of the project.
7. The original funding application will be filed at the Conservation District office.

Arkansas Agriculture Water Quality Loan Program FUNDING APPLICATION

APPLICANT: _____ **CO-APPLICANT:** _____
 Same Address? Yes No
ADDRESS: _____ **ADDRESS:** _____

LAT: _____ **LONG:** _____
Number of acres the practice will affect or be implemented: _____
Estimated Project Cost: _____ **Estimated Loan Amount:** _____

LIST OF PRACTICES I

No.	NRCS Practice Name	Practice Number	Estimated Cost	No.	NRCS Practice Name	Practice Number	Estimated Cost
1				4			
2				5			
3				6			

NOTICE TO APPLICANT(S):

- 1) Approval of this funding application by the Conservation District (District) does not constitute approval of the loan.
- 2) Upon approval of the funding application, you will be informed of participating financial institutions to which you may apply for a credit application.
 - a) AS PART OF THE AGRICULTURE WATER QUALITY PROGRAM YOU MUST AGREE WITH THE FOLLOWING STATEMENTS:
 - i) The project I am applying for will have a positive impact on water quality and reduce NPS pollution that impacts water quality.
 - ii) The project will be constructed to meet Natural Resources Conservation Service (NRCS) standards.
 - iii) The project will be inspected by the Division, NRCS and/or the District at any time during construction, at completion and during the term of the loan.
 - iv) The project will be maintained for the term of the loan.

My signature indicates I HAVE READ AND UNDERSTAND THE ABOVE STATEMENTS:

APPLICANT: _____ **CO-APPLICANT:** _____

Date: _____ **Date:** _____

NOTICE TO APPLICANT(s): Upon completion of Funding Application, submit to your **Conservation District** for approval.

TO BE COMPLETED BY CONSERVATION DISTRICT:

PRACTICE APPROVED: 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____

I have reviewed the above-mentioned project and certify it is in compliance with the individual project plan. In addition, I affirm that I or a duly designated representative of the District will perform project inspections.

District Conservationist Name (Printed) _____ **Phone:** _____

District Conservationist Signature _____ **Date:** _____

Conservation District: _____ **County:** _____

NOTICE TO CONSERVATION DISTRICT: Upon completion of Funding Application, file original at Conservation District office & send a copy to ANRD: ANRC.Applications@agriculture.arkansas.gov

Certificate of Qualification Procedures

- 1) The Certificate of Qualification is given to the applicant once the funding application has been approved by the Conservation District.
- 2) The original plus two (2) copies go to the cooperator.
- 3) One copy is retained by the Conservation District.
- 4) The applicant will present the original plus two (2) copies of the Certificate of Qualification to the participating financial institution, along with a copy of the project plan for which they wish to make a credit application.
- 5) The financial institution will:
 - a) Complete the bottom portion of the Certificate of Qualification.
 - b) If funding approved:
 - i) **Notify Division of funding request prior to loan closing**
(send notification to: ANRC.Applications@agriculture.arkansas.gov)
 - (1) Division will determine funding availability. Division will notify the financial institution via e-mail if funding is available or if the funding cap has been reached.
 - (a) When the cap has been reached all applicants will be added to a waiting list in the order they are received by the Division.
 - (b) Division will notify the financial institution by email when funding becomes available for wait listed applicants. Applicants will be approved for funding in the order they were received, as funding becomes available.
 - ii) Retain original for their files.
 - iii) Forward one (1) copy to the *Conservation District*.
 - iv) Forward one (1) copy of the certification of qualification, the project plan, the promissory note or other debt instrument and appropriate loan request forms to the Division in electronic format to: ANRC.Applications@agriculture.arkansas.gov or postal service addressed as follows:

Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 West Markham, Suite 300
Little Rock, Arkansas 72205
- 6) The District will use the completed information on the bottom portion of the Certificate of Qualification to complete Conservation District Tracking Form.

Arkansas Agriculture Water Quality Loan Program CERTIFICATE OF QUALIFICATION

TO BE COMPLETED BY LOCAL CONSERVATION DISTRICT:

This certifies the below-named applicant(s) have met the standards to apply for an Arkansas Agriculture Water Quality Loan Program (AgWQLP).

APPLICANT: _____ **CO-APPLICANT:** _____

Same Address? Yes No

ADDRESS: _____ **ADDRESS:** _____

TYPE OF BUSINESS / OPERATION: _____ (Examples: Cattle, Dairy, Farming, Pork, Poultry, etc.)

NUMBER OF ACRES INCLUDED IN PROJECT: _____

The following management practice(s) have been approved:

NRCS Practice Name	Practice Number	Expected Date of Construction		Estimated Costs	Loan Amount
		Month	Year		
1.				\$	\$
2.				\$	\$
3.				\$	\$
4.				\$	\$
5.				\$	\$
6.				\$	\$
TOTAL:				\$	\$

District Chairman or Representative _____ **Conservation District:** _____

Printed)

DC Signature _____ **Date:** _____ **County:** _____ **Phone** _____

Date of ANRC affirmation of project plan: _____

NOTICE TO CONSERVATION DISTRICT: Upon approval of Certificate of Qualification, provide **Applicant** with original Certificate of Qualification and copy of the project plan plus two (2) copies; Retain one (1) copy for **Conservation District** records.

NOTICE TO APPLICANT: Present original Certificate of Qualification and copy of the project plan plus two (2) copies to a participating **Financial Institution**. This certificate must be presented to the participating Financial Institution when making a credit application.

Approval of this project by the Conservation District does not constitute approval for a loan.

TO BE COMPLETED BY FINANCIAL INSTITUTION:

Loan Applicant Legal Name/Name loan is awarded under: _____

Loan Approved: Yes ___ No ___ **Amount Approved:** \$ _____
(Total Principal Balance of Applicant, all loans) not to exceed \$250,000 at any time)

Approval Date: _____ **Maturity Date:** _____

Financial Institution Name: _____ **Phone:** _____

Address: _____

Phone Number: _____ **E-mail Address:** _____

Financial Institution Representative Signature: _____ **Date** _____

Financial Institution Representative Printed Name: _____

NOTICE TO THE FINANCIAL INSTITUTION: Upon completion of Certificate of Qualification:

(A) Send funding request to Division prior to loan closing (B) Retain original Certificate of Qualification in **Applicant's file**; (C) Send one (1) copy of Certificate of Qualification to the **Conservation District along with the Fee of one-half percent (½ %) of the Total Loan Amount**; (D) Send one (1) copy, along with a copy of the Promissory Note to **Arkansas Natural Resources Division**, Arkansas Agriculture Water Quality Loan Program, 10421 West Markham, Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov

Quarterly Financial Institution Tracking For/Report Procedure

1. The Quarterly Financial Institution Tracking Form is to be completed by the financial institutions that signed agreements to process loans.
2. The Quarterly Financial Institution Tracking Form should be completed at the end of each quarter (submitted by the 15th day of the following month) and sent to:

Arkansas Natural Resources Division
 Arkansas Agriculture Water Quality Loan Program
 10421 W. Markham, Suite 300
 Little Rock, Arkansas 72205

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

Calendar Quarters	Due Date
Jan – Mar	Apr 15
Apr – Jun	Jul 15
Jul – Sept	Oct 15
Oct – Dec	Jan 15

3. To be completed as follows:

Column 1	Name:	Enter the name(s) of individual(s) or legal entity the loan was awarded to.
Column 2	Loan Number	Enter the loan number for this borrower/project
Column 3	Origination Date:	Enter the date the loan was approved/awarded to the recipient
Column 4	Maturity date	Enter the date the loan will be repaid in full
Column 5	Loan Amount:	Enter the original amount the loan was approved for
Column 6	Principal	Principal paid in this period
Column 7	Interest	Interest paid in this period
Column 8	Principal Balance:	Enter amount of the outstanding principal balance of the loan as of the last day of the quarter.

Arkansas Agriculture Water Quality Loan Program QUARTERLY FINANCIAL INSTITUTION TRACKING FORM

Name of Financial Institution: _____

Contact Name: _____

Contact Phone: _____

Contact e-mail: _____

Mailing Address of Financial Institution: _____

Report For Quarter Ending: _____, _____
Month Year

Name	Loan Number	Origination Date	Maturity date	Loan Amount	Principal	Interest	Principal Balance
Totals:				\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

CONFIDENTIAL

NOTICE TO THE FINANCIAL INSTITUTION: Complete Quarterly Financial Institution Tracking Form at the end of each quarter; Submit original to the **ARKANSAS NATURAL RESOURCES DIVISION**, Arkansas Agriculture Water Quality Loan Program, 10421 West Markham, Suite 300, Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov

Conservation District Tracking Form Procedures

1. This form will be used to track the status of funding applications.
2. The form is to be completed by the Conservation Districts on a **quarterly basis**.
3. Send the original form to the Arkansas Natural Resources Division ***no later than the 15th day of the month following the quarter end*** addressed as follows:

Arkansas Natural Resources Division
 Arkansas Agriculture Water Quality Loan Program
 10421 W. Markham, Suite 300
 Little Rock, Arkansas 72205

Calendar Quarters	Due Date
Jan – Mar	Apr 15
Apr – Jun	Jul 15
Jul – Sept	Oct 15
Oct – Dec	Jan 15

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

4. Retain a copy of the form to be **filed at the Conservation District Office**.
5. The form is completed as follows:

Column 1	Name of Borrower(s)	The name or names of individuals making funding application
Column 2	Application Sent	The date the Conservation District distributed the application to the cooperator
Column 3	Application Received	The date that the Conservation District received the completed application and project plan from the cooperator(s)
Column 4	Date of Action	The date the Conservation District took action on the application
Column 5	District Disposition	Enter "A" = approved or "D" = denied
Column 6	Financial Institution Selected	Enter the name of the financial institution with which the cooperator plans to make credit application.
Column 7	Financial Institution Disposition	Once the original certificate of qualification is received from the financial institution, either "A" = approved or "D" = denied
Column 8	Loan Amount	Enter amount of loan
Column 9	Contract Amount	The approved contract price provided by NRCS

Conservation District Inspection Form Procedures

- 1) The appropriate NRCS staff, District employee or designee making site inspections on the projects approved for construction will complete this form.
- 2) The inspections are required to insure the Cooperator is following the plan in compliance with the Arkansas Agriculture Water Quality Loan Program.
- 3) **Inspections are to be performed, at a minimum, within 30 days of construction completion, and one each year thereafter for the term of the loan.**
 - a) One (1) inspection is to be completed each year
 - b) Additional inspections may be performed at the discretion of the inspector
- 4) The form is to be completed as follows:
 - a) Type of Inspection Check the appropriate line that reflects the type of inspection that is being performed.
 - b) Percentage Give the percentage that has been completed at this inspection.
 - c) Date List the date the inspection is being completed.
 - d) County List the county in which the inspection is being completed.
 - e) District Cooperator List the name or names of individuals receiving the assistance.
 - f) Address List the address of the cooperator.
 - g) Written Evaluation Give a short overall evaluation of the project, noting how the project is proceeding. If the project is in compliance, include pictures if possible.
 - h) Compliance of Project Mark the appropriate line reflecting if the project is in compliance.
 - i) Explanation of Project If not in compliance, give an explanation as to the action required in order to bring the project up compliance, noting the appropriate time frame in which to have the project in compliance. Add attachments, if extra space is needed.
- 5) Upon completion, the original should be placed in the cooperator's file stored at the respective Conservation District office.
- 6) One copy of the form is to be sent to the financial institution securing the loan.
- 7) One copy is to be sent to the Arkansas Natural Resources Division for monitoring purposes.

Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 W. Markham, Suite 300
Little Rock, Arkansas 72205

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

Arkansas Agriculture Water Quality Loan Program CONSERVATION DISTRICT INSPECTION FORM

_____ Site Inspection - Construction Phase

Percentage Complete _____ %

_____ Final Construction Inspection

_____ Yearly Inspection

Date: _____

County: _____

District Cooperator: _____

Address: _____

Written Evaluation: _____

**Include pictures if possible.*

Is the project in compliance and meeting the overall plan?

Yes _____ No _____

If NOT, the following action is required: _____

Reviewed By: _____ Date: _____

NOTICE TO CONSERVATION DISTRICT: Upon completion of Conservation District Inspection Form file original at **Conservation District office**; Send one (1) copy to **Financial Institution** securing the loan; Send one (1) copy to the **ARKANSAS NATURAL RESOURCES DIVISION**, Arkansas Agriculture Water Quality Loan Program, 10421 W. Markham, Suite 300, Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov

Applicant Approval Letter Procedures

- 1) A letter is to be sent by the Conservation District office upon approval of the applicant's request for an AgWQLP loan.
- 2) An approval letter should be placed on letterhead of the Conservation District office.
- 3) Send the original letter to the applicant.
- 4) Retain one (1) copy of the approval letter to be placed in the applicant's file.
- 5) Include one (1) copy of the Certificate of Qualification as an enclosure of the approval letter.

Arkansas Agriculture Water Quality Loan Program APPLICANT APPROVAL LETTER

(Letter to be printed on Conservation District Letterhead)

Date

NAME OF APPLICANT

Mailing Address

City, State Zip

Dear *(Recipient)*:

The _____ Conservation District Board has reviewed your funding application for an Arkansas Agriculture Water Quality Loan. We would like to inform you at this time that your application has been approved. Approval is granted provided the practice prescribed in the project plan and/or conservation plan is followed and in compliance with NRCS technical standards.

The Certificate of Qualification is enclosed. Please present the Certificate and a copy of the project plan to the financial institution with which you choose to place an application of credit.

The Certificate of Qualification and the necessary papers are enclosed in this mailing. Present the original to the bank with which you choose to place an application of credit and keep the copies for your records. Please notify your lending agent that they will need to contact Debra Dickson at the Arkansas Natural Resources Division at 501-682-0548 or via email (ANRC.Applications@arkansas.gov) to complete the loan process.

If you should have any questions or concerns please feel free to contact our office at any time. We appreciate your interest in the program and look forward to continued involvement with programs that are offered through Arkansas's Conservation Districts.

Sincerely,

(Signature Block)

Enclosure (Certificate of Qualification)

Applicant Denial Letter Procedures

- 1) A denial letter is to be sent by the Conservation District office upon decline of the applicant's request for an AgWQLP loan.
- 2) A denial letter should be placed on letterhead of the Conservation District office.
- 3) Send the original denial letter to the applicant.
- 4) Retain one (1) copy of the denial letter to be placed in the applicant's file.

Arkansas Agriculture Water Quality Loan Program APPLICANT DENIAL LETTER

(Letter to be printed on Conservation District Letterhead)

Date

NAME OF APPLICANT

Mailing Address

City, State Zip

Dear *(Recipient)*:

This letter is in response to your recent funding application for an Arkansas Agriculture Water Quality Loan. We realize by your application that you readily support efforts to protect the quality of Arkansas's rivers and streams. The success of this and other water quality programs depends upon the personal commitment of citizens like you.

With respect to your individual application, guidelines which must be followed do not allow for the approval of your project at this time. ***(INSERT EXPLANATION FOR PROJECT DENIAL)***. You do have the right to appeal this denial. Appeal must be written and submitted within 30 days of receipt of this letter to:

Director
Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 W. Markham, Suite 300
Little Rock, Arkansas 72205

We appreciate your interest in the program and look forward to continued involvement with programs that are offered through Arkansas's Conservation Districts.

Sincerely,

(Signature Block)

Cooperator Follow-Up Questionnaire Procedures

- 1) This form is to be completed by the applicant.
- 2) Applicant/Cooperator should send the original form to the Conservation District.
- 3) Conservation District is to retain one (1) copy for filing at the Conservation District office.
- 4) Conservation District is to send the original to the Arkansas Natural Resources Division addressed as follows:

Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 W. Markham, Suite 300
Little Rock, Arkansas 72205

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

Arkansas Agriculture Water Quality Loan Program APPLICANT FOLLOW-UP QUESTIONNAIRE

In order that the Arkansas Natural Resources Division may monitor the Agriculture Water Quality Loan Program, we would like to ask that you complete the following:

1. **In your opinion, has the overall application process been easy to work with?**
Yes No (if no, please explain why)

2. **Did the Conservation District office process your application in a timely manner?**
Yes No (if no, please explain why)

3. **Has the financial institution you chose to process your loan given you the services to expedite your loan in an acceptable manner?**
Yes No (if no, please explain why)

4. **Overall, has the loan program helped you meet your needs?**
Yes No (if no, please explain why)

5. **Would you have implemented or installed the practice(s) without this low interest loan program?**
Yes No (if no, please explain why)

NOTICE TO COOPERATOR: Thank you for taking time to complete the Cooperator Follow-Up Questionnaire. Your feedback is essential to the continued success of the Arkansas Agriculture Water Quality Loan Program. Upon completion of Cooperator Follow-Up Questionnaire forward to your **Conservation District**.

NOTICE TO CONSERVATION DISTRICT: Upon receipt of Cooperator Follow-Up Questionnaire; retain one (1) copy in **Conservation District office**; Send original to the **ARKANSAS NATURAL RESOURCES DIVISION**, Arkansas Agriculture Water Quality Loan Program, 10421 W. Markham, Suite 300, Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov .

Conservation District Follow-Up Questionnaire Procedures

- 1) This form is to be completed by the Conservation District.
- 2) The original form is to be sent to the Arkansas Natural Resources Division addressed as follows:

Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 W. Markham, Suite 300
Little Rock, Arkansas 72205

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

Arkansas Agriculture Water Quality Loan Program CONSERVATION DISTRICT FOLLOW-UP QUESTIONNAIRE

The following is a follow-up questionnaire for the Conservation Districts to complete to give feedback on the Agriculture Water Quality Loan Program.

1. **Are there practices being requested that are not covered by the conservation practices listed in the Guidance Document?**

Yes No

If Yes, please list any practice you feel should be specifically included.

2. **Do you feel there is good communication among all agencies involved within the process?**

Yes No (if no, please explain why)

3. **In your opinion, is the Arkansas Agriculture Water Quality Loan Program benefiting the agricultural community in your area?**

Yes No

4. **Does the application process work effectively?**

Yes No (if no, please explain why)

5. **Please list any suggestions about the program you feel should be noted.**

NOTICE TO CONSERVATION DISTRICTS: Thank you for taking time to complete the Conservation District Follow-Up Questionnaire. Your feedback will is essential to the continued success of the Arkansas Agriculture Water Quality Loan Program. Upon completion of Questionnaire send to the **ARKANSAS NATURAL RESOURCES DIVISION**, Arkansas Agriculture Water Quality Loan Program, 10421 W. Markham, Suite 300, Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov

Project Plan application form Procedures

Prior to Project Funding Application approval or issuance of Certificate of Qualification submit the Project Plan to Arkansas Natural Resources Division addressed as follows:

Arkansas Natural Resources Division
Arkansas Agriculture Water Quality Loan Program
10421 W. Markham, Suite 300
Little Rock, Arkansas 72205

or via e-mail to: ANRC.Applications@agriculture.arkansas.gov

Definition from AgWQLP Handbook:

Project Plan – The plan developed by and between the District, Natural Resources Conservation Service (NRCS) and a cooperator that includes the planning, design and application of resource management systems to abate or prevent identified on-site or off-site problems with non-point source (NPS) pollution that impacts water quality. All project plans must be designed and implemented in compliance with NRCS Field Office Technical Guide standards **that reduce non-point source pollution** to qualify. If the cooperator has or is developing a NRCS Conservation Plan, it can be used as the project plan as long as the improvements that funding is being sought are included in the Conservation Plan. Once the project plan is developed, the District will submit it to the Division for review and approval.

What information to include in a project plan:

- 1) Project Description: describe the purpose, how the project will be implemented and how this project will have a direct effect on nonpoint source pollution control, reduction or abatement:
 - a. Who – cooperator name and subsequent contact information.
 - b. What – NRCS practice name & Code number applying to implement.
 - i. Include the description of the practice and what the cooperator is wanting to “buy or utilize” to facilitate implementation of the practice.
 - c. When – time duration of the implementation, including loan term and amount, if known.
 - d. Where – latitude and longitude of the farm and subsequent location information:
 - i. Total acres that will be impacted per year throughout duration of the loan.
 - ii. Map of land with field numbers, farm number, etc. that will be impacted.
 - e. Why – does the cooperator want to do this:
 - i. Describe the environmental benefit related to NRCS conservation practice(s) applying to implement will reduce non-point source (NPS) pollution that impacts water quality.
 - f. How – does the cooperator plan to repay the loan, including a payment schedule, if known.
- 2) Farm conservation plan, if available.

Arkansas Agriculture Water Quality Loan NPS Program PROJECT PLAN APPLICATION

APPLICANT: _____ **CO-APPLICANT:** _____
 Same Address? Yes No
ADDRESS: _____ **ADDRESS:** _____

LAT: _____ **LONG:** _____
Number of acres the practice will affect or be implemented: _____
Estimated Project Cost: _____ **Estimated Loan Amount:** _____

LIST OF PRACTICES

No.	NRCS Practice Name	Practice Number	Estimated Cost	No.	NRCS Practice Name	Practice Number	Estimated Cost
1				4			
2				5			
3				6			

What – Describe the practices: Include the NRCS practice number, name and a description of the practice and what the cooperator is wanting to “buy or utilize” to facilitate implementation of the practice.

When – time and/or duration of the implementation, including loan term and amount, if known.

Where – location the project will be implemented (field number, etc), total acres that will be impacted per year throughout duration of the loan.

Why – does the cooperator want to do this: Describe the environmental benefit related to NRCS conservation practice(s) listed for this plan and how their implementation will directly reduce, control or abate non-point source (NPS) pollution that impacts water quality.

Map Attached? Yes No
 Attach is a map of land with field numbers, farm number, etc. that will be impacted Yes No

Do you have a Farm conservation plan? Yes No
 Farm Conservation Plan relevant pages are attached? Yes No

NOTICE TO THE FINANCIAL INSTITUTION: Complete Quarterly Financial Institution Tracking Form at the end of each quarter; Submit original to the **ARKANSAS NATURAL RESOURCES DIVISION**, Arkansas Agriculture Water Quality Loan Program, 10421 W. Markham, Suite 300 Little Rock, Arkansas 72205 or via e-mail to ANRC.Applications@agriculture.arkansas.gov