

Exploring Options

Kansas Agricultural Mediation Services supports the Kansas ag community by providing confidential ag-related legal, financial and mediation resources at no cost. Contact us by calling **800-321-3276** or visit ksre.k-state.edu/kams.

**KANSAS AGRICULTURAL
MEDIATION SERVICES**
800-321-FARM

EVENTS

Four State Farm Show

County Fairs

Risk & Profit Conference

Kansas State Fair

What is This Thing Called “Mediation”?

Although it may sound like an unpleasant word, mediation is all about bringing people together to find solutions. Mediation is an informal, confidential and neutral process where ag producers can find guidance and explore resolutions on tough issues. Mediation helps producers and other participants define the concerns at hand, identify common goals, reduce fault-finding, keep negotiations focused, explore the options available and generate possible solutions.

mē-dē-'ā-shən, noun.
the act or process of
mediating; especially:
intervention between
conflicting parties to
promote reconciliation,
settlement, or
compromise

Mediation is a neutral process where the mediator uses active listening skills and facilitative techniques to help participants work towards a resolution. The mediator does not make determinations or judge who is right or wrong. They facilitate open, frank discussion of the issues.

Why Participate?

Kansas Agricultural Mediation Services (KAMS) offers mediation as a voluntary process for producers, ag lenders and USDA agencies to make informed decisions in a confidential, low-cost and time-saving manner.

A successful mediation is based on the cooperation and participation of all involved. Confidentiality is a vital aspect of the mediation process because sensitive issues are often being discussed. Participating in mediation encourages communication and fosters business and family relationships. It gives those involved the opportunity to examine solutions everyone can agree on and often move forward in a positive way.

Preparing for Mediation

KAMS' support services contribute to successful mediations. Participants who understand their legal rights and obligations, have taken the time to explore financial options and have satisfactorily prepared, frequently have a more positive outcome. As part of the mediation process, KAMS refers producers to neutral, objective experts through K-State Research and Extension's Farm Analyst Program and Kansas Legal Services. Agricultural financial counseling and legal assistance not only benefits producers at a mediation, but often in the overall management of their operation as well.

More information on support services and the mediation process is available by calling 800-321-3276 or visiting ksre.k-state.edu/kams/services.



**Kansas Agricultural
Mediation Services**
2A Edwards Hall
Kansas State University
Manhattan, KS 66506
800-321-FARM
ksre.k-state.edu/kams
kams@k-state.edu

Exploring Loan Restructure

According to **Kansas Farm Management Association's** member data, average net farm income dropped from \$128,731 in 2014 to \$4,568 in 2015. The sharp decline is the lowest recorded since 1985. Consequently, lenders are also reporting a rise in non-performing loans across many production sectors in a survey released from the University of Georgia and Kansas State University (ageconomics.k-state.edu/research/ag-lender-survey).

Producers have options for navigating a tough economy. KAMS provides low cost, confidential assistance to borrowers any time they have cash flow concerns or are looking at delinquency or restructuring of loans. Support services include farm analysts that travel to the operation and complete a FinPack™ analysis for \$100 as well as experienced ag law attorneys through Kansas Legal Services that offer legal counsel at reasonable rates. Mediation is also a no cost option that invites the producer and creditor(s) to explore restructuring options that will work for all involved. Possible lenders can include the Farm Service Agency (FSA), Farm Credit Services (FCS), banks, input suppliers, implement dealers and any other ag credit accounts. **Call KAMS at 800-321-3276 for information on how we can help!**

FSA Direct Loans

Once a FSA direct loan borrower becomes 90 days delinquent, FSA will send the required paperwork to the borrower to apply for restructuring of their FSA direct loans. The application must be filled out and returned within 60 days from the date of receipt. The borrower's options include reamortization, deferral or writedown. If FSA denies the restructuring application the borrower can request mediation and support services through KAMS.

FSA Guaranteed Loans

Loan servicing options for FSA guaranteed loans are discretionary depending on the private lender. If the lender does agree to restructure the loan, it is still necessary to obtain FSA's approval. FSA must approve the plan if it is similar to what FSA can do with direct loans (i.e. reamortization, interest reduction, deferral or writedown) and is feasible.

Farm Credit Services

A notice is sent to the borrower giving them the option to propose a restructure of the loan at least 45 days prior to beginning a foreclosure proceeding. The borrower is then given 45 days to submit a restructure plan. If the FCS institution denies restructure of the loan, then the borrower has seven days to request a review of the decision by a Credit Review Committee.

KANSAS AGRICULTURAL
MEDIATION SERVICES

800-321-FARM

QUICK LINKS

[Kansas Agricultural
Mediation Services](#)

[Succession Planning](#)

[KSRE Farm Analyst
Program](#)

[K-State Research and
Extension](#)

[AgManager.info](#)

[Kansas Agrability](#)

[Farm Service Agency](#)

[USDA](#)

FarmAnswers.org



The USDA's National Institute of Food and Agriculture has created a powerful website for beginning and experienced producers. **FarmAnswers.org** is home to thousands of educational materials, program resources and even apps and blogs, efficiently organized so producers nation-wide can find answers and resources for a myriad of questions.

Visitors can easily search within **FarmAnswers.org** and refine searches through a variety of selections. They can even create an account and bookmark information important to them. No need to track it down later or even print it out! **FarmAnswers.org** is well worth exploring to learn more about a variety of topics.

K-STATE
Research and Extension

Knowledge
forLife



**Kansas Agricultural
Mediation Services**
2A Edwards Hall
Kansas State University
Manhattan, KS 66506
800-321-FARM
ksre.k-state.edu/kams
kams@k-state.edu