

head>

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Notification of Farm Operating Loan Decision

Dear [Applicant Name],

Thank you for submitting your application for a Farm Operating Loan regarding the [Year] crop season. We have carefully reviewed your financial documents, production history, and supporting materials.

We regret to inform you that we are unable to approve your loan request at this time. Our decision is based on the following reason(s):

Inadequate Crop Yield: Based on the historical production data and current projections provided, the anticipated crop yields are insufficient to demonstrate the capacity to meet the required debt service coverage. Specifically, the projected yields do not provide a high enough margin of safety to ensure full repayment of the operating credit after covering essential production expenses.

We understand the challenges associated with agricultural production. This decision is based strictly on our current lending criteria and risk management policies. We encourage you to reapply in the future should your production averages improve or if additional collateral/guarantees become available.

You have the right to request a formal review of this decision or provide additional documentation that may clarify your historical yield data. Please contact your loan officer within [Number] days if you wish to discuss this matter further.

Sincerely,

[Name of Loan Officer]

[Title]

[Name of Lending Institution]