

MINUTES OF THE DECEMBER 5, 2008 MEETING OF THE AGRICULTURE COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY

The Agriculture Committee (the "Committee") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Agriculture Committee Meeting via teleconference at 3:00 p.m., December 5, 2008 at the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

Members participating by phone:

Edward H. Leonard, Sr., Chair
Bradley A. Zeller
Michael W. Goetz

Members present:

None

Members absent:

None

Staff Absent:

Carla Burgess Jones,
Board Secretary

Staff:

John B. Filan, Executive Director
(via teleconference)
Christopher Meister, General
Counsel
Karen Walker, Director of Financial
Services
Eric Reed, Senior Funding Manager
Cory Mitchell, Funding Manager
Shannon Govia, SPO (sitting in for
Board Secretary)

Others

None

GENERAL BUSINESS

Call to Order and Roll Call

The meeting was called to order at 3:02 p.m. The following agricultural projects were presented for review and will be recommended for approval at the December 9, 2008 Illinois Finance Authority Board Meeting based on the same conditions discussed at the Credit Review Meeting held on Tuesday, November 25, 2008.

Approval of Minutes

Mr. Meister asked if there were any concerns regarding the approval of the November 6, 2008 Agricultural Committee Meeting Minutes. There being none, a motion was moved by Mr. Zeller and seconded by Mr. Goetz.

Discussion of the following Amendatory Resolution(s)

David and Becki Damhoff

Mr. Mitchell stated that Wells Fargo is requesting a change in their interest rate. This would equate to an 18 basis point increase to the Borrowers blended rate or \$1,500 per year increase.

Mr. Meister requested a motion to approve this resolution. Motion was moved by Mr. Goetz and seconded by Mr. Zeller.

Discussion of the Participation Loan Program:

Ms. Walker stated that it was the intention of Director Filan to analyze the Participation Loan Program. Mr. Zeller stated his concerns regarding this course of action. Mr. Zeller went on to discuss how the Agricultural Program fits into the overall IFA mission of creating jobs in Illinois. Mr. Meister responded to Mr. Zeller's concerns, by stating that the intention of Director Filan is to place the program on hold pending further review. Mr. Meister went on to reiterate that the program was not being cut but rather, Director Filan would like time to review and assess whether the program was being utilized in the most efficient manner. Ms. Walker took a moment to further emphasize Mr. Meister's points. Mr. Leonard asked both Ms. Walker and Mr. Meister why the Agricultural Market sector was the only aspect of the Participation Loan program being put on hold for further scrutinizing. Mr. Reed stated that the Participation Loan Program was one of many tools for the Agricultural Market sector and went on to discuss its significance to the Agricultural Program as a whole. Mr. Meister and Ms. Walker reiterated the fact that Director Filan's goal is to assess the efficiency of the program and not to cut any funds from the program or deviate from the IFA's mission. Mr. Leonard stated that he did not see a reason to place the program on hold and asked whether the program could continue while still being reviewed.

It was agreed by all that further discussion regarding the topic should be deferred pending a meeting with Director Filan.

Discussion of the following Beginning Farmer Bonds

- John & Staci Kramer - \$213,750
- Luke Burling - \$99,240.75
- Nicholas Dolder - \$250,000
- Aaron Hilmes - \$205,600
- Ryan Hilmes - \$205,600
- William A. Timmermann, III - \$164,000
- Matt McClain - \$250,000

- Marcella J. Jackson - \$250,000

All bonds were approved as presented.

Other Business

Discussion of Participation Loan Program:

- Director Filan joined the call at 3:36 pm.
- Mr. Zeller stated that putting the Participation Loan Program on hold in the Agriculture Market sector could be perceived as the funds possibly being utilized for other programs.
- Director Filan responded that it is his intention to assess whether the tools of the Agricultural Market sector are being utilized most efficiently.
- Mr. Leonard asked why does the program need to be put on hold in order to be reviewed.
- Director Filan asked were there pending applications.
- Mr. Mitchell responded that he receives 4-5 calls per week regarding Agricultural Participation Loans and that October through April is the busy season for the Agricultural industry. Mr. Mitchell went on to comment that six loans were presented to the Board in November; however he had no applications pending for December.
- Director Filan asked why is there a need for both the Guaranteed and Participation Loan programs if they can supplement each other.
- Mr. Mitchell responded that the Guaranteed Loans are utilized for credit enhancements whereas Participation Loans are a lower cost financing option
- Director Filan stated that the program does not need to be brought to a halt if it negatively impacts another program. Director Filan went on to emphasize that Committee members are welcome to discuss these matters outside of regularly scheduled meetings with him.
- Director Filan concluded the discussion by inviting the Committee members to join him in a meeting with SIU and WIU on December 9, 2008 at 1:30pm

Adjournment

There being no further business, the meeting adjourned at 3:50 pm.

*Respectfully Submitted,

Carla B. Burgess Jones
Secretary

*In the absence of the Secretary, Minutes were prepared by Shannon D. Govia.