



FRESNO MADERA FARM CREDIT

FUNDS HELD VOLUNTARY ADVANCE CONDITIONAL PAYMENT (VACP) PROGRAM

PROGRAM OVERVIEW

FMFC offers a Voluntary Advance Conditional Payment Program (known as a "Future Payment Fund [FPF]" or "Funds Held") that provides interest-bearing accounts for our customers to utilize for future loan payments or future operating expenditures.

Benefits

- Easy access to funds - by setting up a Future Payment Fund, you can keep your cash liquid for your agricultural operating needs
- Interest earning a market rate of return
- No minimum balance requirement
- No monthly or transaction fees
- Easily transfer funds to an outside bank account on file

FREQUENTLY ASKED QUESTIONS

How can my Future Payment Fund be used?

- Make a loan payment
- Apply funds to your operating account
- Pay taxes or insurance
- Use for other agricultural purposes

How do I add or withdraw funds?

Funds may be deposited or withdrawn through our online banking platform or by calling our customer service department at (559) 277-7022. You can also move funds between your depository bank and your FMFC accounts via ACH transfer request to or from your bank account by calling customer service. Cash Management Services are offered through CoBank which allows you to establish sweep accounts to ensure every dollar is working as hard as you are. Contact your relationship manager for more information.

Am I eligible for a Future Payment Fund?

You can set up a Future Payment Fund when you establish an FMFC loan, or at any time after your loan is in place. You can invest up to the amount of your principal or total loan commitment balance. FMFC reserves the right to limit participation in the Future Payment Fund program.

What is the interest rate on Future Payment Fund accounts?

Interest will be earned on money you contribute to your Future Payment Fund. Future Payment Fund accounts earn a rate of interest equal to the lesser of: (i) the interest rate charged on the related loan; or (ii) 0.50% under the upper limit of the Federal Funds target range.

How safe are Future Payment Fund accounts?

The Future Payment Fund program is voluntary. The program is NOT a depository account. Funds are uninsured and at risk of loss. Funds are protected only by the financial condition of FMFC.

Tax Reporting

Interest earned on your Future Payment Fund is reported periodically to you and annually on Form 1099-INT to the IRS.

YOU SHOULD CONSULT YOUR TAX ADVISOR IF YOU HAVE ANY QUESTIONS REGARDING THE FEDERAL, STATE, OR LOCAL INCOME TAX CONSEQUENCES OF THE RECEIPT OF THIS INCOME.

Future Payment Fund Disclosure

FMFC reserves the right, at its discretion, to change these terms and conditions of the Future Payment Fund, or terminate the Future Payment Fund program in its entirety, at any time.

For more information about our Future Payment Fund accounts, call your relationship manager or our customer service department at 559-277-7016.