

CHAPTER 02 - N.C. AGRICULTURAL FINANCE AUTHORITY

SUBCHAPTER 02A - GENERAL PROVISIONS

24 NCAC 02A .0101 OBJECTIVES

- (a) The primary objective of the Authority is to provide capital and credit at interest rates within the financial means of persons engaged in all aspects of agriculture, including agribusiness.
- (b) The Authority will periodically make loans, either directly or through an originating agent, to borrowers from Authority funds available for this purpose. These may be direct loans or loans with FmHA guarantee for the purposes of farm real estate, farm operating loans, or agricultural business loans for providing agricultural services, processing, marketing or exporting of products.

History Note: Authority G.S. 122D-2; 122D-6; 122D-7;
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

24 NCAC 02A .0102 DEFINITIONS

The following words and terms, unless their context shall clearly indicate a different definition, shall be defined and mean as follows:

- (1) "Applicant" is a person applying to the Authority for a loan.
- (2) "Agriculture" is defined in G.S. 122D-3(2).
- (3) "Agribusiness" means the business of processing, marketing, distributing, manufacturing or exporting the products of agriculture.
- (4) "Agricultural Loan" is defined in G.S. 122D-3(1).
- (5) "Borrower" means a person to whom the Authority or a lender has made a loan who is a person engaged in agriculture or agribusiness in the state of North Carolina.
- (6) "FmHA" means the United States of America, acting through the Farmers' Home Administration of the United States Department of Agriculture.
- (7) "Holder" means a person or lender purchasing all or a portion of a loan from the Authority.
- (8) "Guaranteed Loan" means any loan made by a lender or the Authority which is subject to a guarantee of repayment of principal and accrued interest by the FmHA pursuant to any guaranteed loan program authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. § 1921 et. seq.) and described in various subparts of 7 C.F.R. Part 1980.
- (9) "Loan" means a loan made by the Authority to a borrower or a loan made by a lender to any borrower which is purchased by the Authority.
- (10) "Members" means the members of the North Carolina Agricultural Finance Authority constituted pursuant to North Carolina G.S. 122D-4.
- (11) "Note" means a note made by a borrower in favor of the Authority or a note made by a borrower in favor of a lender purchased by the Authority.
- (12) "Originating Agent" means an agent acting on behalf of the Authority pursuant to an originating agreement.
- (13) "Originating Agreement" means the one or more agreements by that name between the Authority and an originating agent or agents pursuant to which the originating agent or agents will originate loans on behalf of the Authority.

History Note: Authority G.S. 122D-3; 122D-6; 122D-7; 122D-10;
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

24 NCAC 02A .0103 SALE OF LOANS BY AUTHORITY

The Authority may, for value received, sell all or a portion of any agricultural loan made or purchased by the Authority.

History Note: Authority G.S. 122D-7;
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.

SUBCHAPTER 02B - FARM REAL ESTATE LOAN PROGRAMS

24 NCAC 02B .0101 LENDING PROCEDURES

(a) The Authority will make agricultural loans to eligible borrowers to finance the acquisitions or improvement of real property from funds available to the Authority for this purpose. The Authority shall have overall administrative responsibility for the Real Estate Loan Program.

(b) Applicants will apply for loans on an application to be provided by the Authority. The applicant must adhere to the requirements of the application process including providing all relevant documents requested by the Authority or FmHA, in the case of guaranteed loans. The following application process will be implemented by the Authority:

- (1) The Authority will review the application from the applicant and make a decision as to whether to approve the application.
- (2) For guaranteed loans, approval by the Authority requires the application to be forwarded to FmHA for approval.
- (3) A denial of approval by either the Authority or FmHA does not provide the applicant any recourse unless the reason for disapproval of the loan can be remedied and is allowed by either the Authority or FmHA.
- (4) Following approval, the Authority or an agent thereof will originate and document the closing of the loan.

(c) The Authority, or its agent, will service the loans made pursuant to this program in accordance with sound banking practices and, for guaranteed loans, applicable FmHA requirements.

*History Note: Authority G.S. 122D-6; 122D-7;
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

24 NCAC 02B .0102 ELIGIBLE BORROWERS

Eligible borrowers are applicants who demonstrate to the Authority that they satisfy the following criteria:

- (1) Need for an agricultural loan to finance agriculture or agribusiness;
- (2) Ability to repay the loan is demonstrated;
- (3) Collateral for the loan is sufficient; and
- (4) Can meet any other requirements which may be imposed by the Authority, or FmHA in the case of guaranteed loans, in the exercise of sound banking practices.

*History Note: Authority G.S. 122D-2; 122D-6;
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

SUBCHAPTER 02C - AGRIBUSINESS LOANS

24 NCAC 02C .0101 LENDING PROCEDURE

(a) The Authority will make loans to persons engaged in agribusiness for the purpose of financing agribusiness from funds available to the Authority for this purpose.

(b) Each agribusiness loan shall be separately underwritten and separately approved by the Authority.

*History Note: Authority G.S. 122D-6(4);
Temporary Rule Eff. November 18, 1988 For a Period of 180 Days to Expire on May 17, 1989;
Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*

CHAPTER 02 – N.C. AGRICULTURAL FINANCE AUTHORITY

SUBCHAPTER 02D - LARGE ANIMAL HEALTHCARE ENHANCEMENT ADVISORY COMMITTEE

24 NCAC 02D .0101 PURPOSE

This Chapter describes the operating procedures for the Large Animal Healthcare Enhancement Advisory Committee and the North Carolina Agricultural Finance Authority implementing the Large Animal Healthcare Enhancement Fund for the enhancement of large animal veterinary services in North Carolina. Procedures and requirements for participating applicants are also established. The purpose of the program is to provide grants to encourage veterinary practitioners to sustainably serve as large or mixed animal veterinarians in underserved areas in the state of North Carolina, and to provide additional resources for large or mixed animal veterinary practices that operate in underserved areas to help them to better serve their communities.

*History Note: Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.*

24 NCAC 02D .0102 DEFINITIONS

In addition to the terms defined in Article 88 of Chapter 106 of the North Carolina General Statutes, the following terms used in this Chapter have the following meanings:

- (1) "Applicant" means a large animal veterinarian as defined in Article 88 of Chapter 106 of the North Carolina General Statutes who applies for funds from the Large Animal Healthcare Enhancement Fund.
- (2) "Application" means the "Large Animal Healthcare Enhancement Fund Application Form" detailed in Rule .0103(c) of this Section, developed and made available by the Large Animal Healthcare Enhancement Advisory Committee, including, but not limited to, any attachments and other information or documentation required by the form, for an applicant to complete and submit to the advisory committee to request a grant from the fund.
- (3) "Chair" or "Commissioner" means the chair of the advisory committee who is also the Commissioner of Agriculture.
- (4) "Grant" means an amount of money designated by the advisory committee to be given to a qualified applicant who has been chosen by the advisory committee.
- (5) "Financial records" means documentation that provides evidence or a summary of business transactions, which may include invoices, receipts, and general monetary ledgers.
- (6) "Grant recipient" means a qualified applicant who has received a grant.
- (7) "Large animal" means any of the animals referenced in Article 88 of Chapter 106 of the North Carolina General Statutes.
- (8) "Qualified applicant" means a large animal veterinarian who meets the criteria described in this Rule and in Article 88 of Chapter 106 of the North Carolina General Statutes.

*History Note: Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.*

24 NCAC 02D .0103 EVALUATION OF APPLICATIONS

(a) Applicants for funding from the fund shall submit a completed application within 60 days from the date of the public announcement of requests for proposals (the "application deadline").

(b) Applications and instructions shall be available online at www.ncagr.gov.

(c) To be eligible for consideration for funding, applicants shall complete the application, which shall be titled the "Large Animal Healthcare Enhancement Fund Application Form," and which shall contain the following information:

- (1) identifying information such as location, business name, and contact information;
- (2) statement from the applicant that acknowledges and agrees that in the event that the applicant's veterinary license expires, is revoked, or is suspended during the fiscal year in which the grant is awarded, or if the applicant fails to practice at least 30% large animal veterinary medicine in the designated counties named in the applicant's application, the applicant shall repay the entire amount received from the fund;

- (3) statement from the applicant that the applicant shall have no conflicting service obligation that would prevent the State from benefitting from the applicant's services, with the exception of service in the National Guard or military reserve;
 - (4) an essay which describes the applicant's professional ambition and how those professional goals fit with the intent of the fund, which shall be submitted in a format using an eight hundred word maximum, typed in 12-point Times New Roman font, and double spaced;
 - (5) three personal or professional references listing the individual's name, telephone number, and email address; and
 - (6) certification that the applicant currently practices a minimum of 30% large animal veterinary medicine in at least one designated county.
- (d) Each completed application shall be evaluated by the advisory committee staff based on the information provided in the application and in accordance with the fund criteria described in this rule and in Article 88 of Chapter 106 of the North Carolina General Statutes.
- (e) The staff shall review all applications for completeness. If staff deems an application incomplete in that it does not contain information required by statute or these rules, the applicant shall be asked by the authority staff to complete the application within seven days if the application deadline has expired.
- (f) After the staff has reviewed each application for completeness, the advisory committee shall then review the applications prepared by each applicant.
- (g) All applicants shall meet the following criteria for grant eligibility:
- (1) the applicant must practice veterinary medicine in at least one of the approved counties pursuant to G.S. 106-1077;
 - (2) the applicant must be a currently licensed veterinarian in the state of North Carolina; and
 - (3) the applicant shall be practicing at least thirty percent cumulatively of their veterinary operation within the field of large animal care.
- (h) Grants shall be awarded contingent on the availability of sufficient funds to do so. Grants shall be conveyed to grant recipient(s) through contracts with the North Carolina Agricultural Finance Authority. If the advisory committee determines that grants are not being used for the purpose for which they were awarded, the fund shall immediately cease making payments under the grant schedule and shall demand return of all amounts from the grant pursuant to G.S. 106-1079. Grant recipient(s) must reimburse the fund all funds that the advisory committee determines to have been spent in violation of G.S. 106-1079(e).

History Note: Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.

24 NCAC 02D .0104 GRANT AGREEMENT

- (a) The advisory committee shall approve applications based on the criteria set forth by Article 88 of Chapter 106 of the North Carolina General Statutes. Once approved by the committee, a written agreement shall be executed between the grant recipient(s) and the North Carolina Agricultural Finance Authority.
- (b) The agreement shall define the North Carolina Agricultural Finance Authority's and grant recipient's responsibilities and obligations, the project period, project scope, and the amount of grant assistance.
- (c) The approved application and any support documentation submitted by the applicant shall become a part of the grant agreement.
- (d) The grant agreement may be amended upon mutual consent and approval by the North Carolina Agricultural Finance Authority and the grant recipient(s). The grant recipient(s) shall submit a written request for amendment to the North Carolina Agricultural Finance Authority. Any amendment for consideration must adhere to the eligibility requirements set forth by Article 88 of Chapter 106 of the North Carolina General Statutes.
- (e) Grant payments shall be made only for activities within the grant contract period and projects may not begin until the North Carolina Agricultural Finance Authority and grant recipient(s) sign the agreement.
- (f) The grant agreement shall include a requirement that the grant recipient(s) understands, acknowledges, and agrees that in the event that the grant recipient(s)' veterinary license expires, is revoked, or is suspended during the fiscal year in which the grant is awarded, or the grant recipient(s) fails to practice a minimum of 30% large animal veterinary medicine in at least one designated county named in the grant recipient(s)' application, the grant recipient(s) shall repay the entire amount received from the Fund.

History Note: Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.

24 NCAC 02D .0105 REPORTING

(a) Grant recipients shall submit to the North Carolina Agricultural Finance Authority a written progress report within 180 days of receipt of the grant.

(b) Written reports shall describe the status of the project, progress toward achieving program objectives, notable occurrences, any problems encountered, and steps taken to overcome the problems, and a statement of affirmation that supports the following:

- (1) the grant recipient's veterinary license has not expired, been revoked, or been suspended, and
- (2) the grant recipient(s) is currently practicing a minimum of 30% large animal veterinary medicine across their cumulative practice in at least one designated county named in the grant recipient's(s') application.

(c) Upon completion of the project, the grant recipient shall make a final written report to the North Carolina Agricultural Finance Authority that shall include project accomplishments and benefits, all expenditures by line item as established in the application, and a statement of affirmation that supports the following:

- (1) the grant recipient's veterinary license has not expired, been revoked, or been suspended, and
- (2) the grant recipient(s) practiced a minimum of 30% large animal veterinary medicine across their cumulative practice in at least one designated county named in the grant recipient's(s') application.

(d) The North Carolina Agricultural Finance Authority shall review the progress reports for completeness, which shall include a showing of how the project is meeting its stated goals and performance standards. If the North Carolina Agricultural Finance Authority finds that the report is deficient in showing how the project is meeting its stated goals and performance standards, the grant recipient(s) shall be notified of the deficiency and shall provide a changed and corrected report within 30 business days. A corrected or changed report shall be submitted to the North Carolina Agricultural Finance Authority within 30 business days.

(e) All grant funds shall be spent within 180 days of receipt by the grant recipient. If grant funds are not spent by the grant recipient by the end of this 180-day period, the grant funds shall be returned to the North Carolina Agricultural Finance Authority.

(f) Grant recipient(s) shall submit monitoring reports annually to the North Carolina Agricultural Finance Authority by email at largeanimalvetgrants@ncagr.gov, as well as mailed to or hand delivered to 1101 Spring Forest Road, Suite 150, Raleigh, North Carolina 27615. The monitoring reports shall include all the reporting requirements set forth in Paragraph (b) of this Rule.

History Note: *Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.*

24 NCAC 02D .0106 RECORDS

Grant recipients shall keep financial records, as defined in Rule .0102 of this Section, of the project for a period of five years, following completion of the project, or until audited. The records shall be made available to the Commissioner and the North Carolina Agricultural Finance Authority upon request. The North Carolina Agricultural Finance Authority shall maintain and dispose of paper and electronic records in accordance with the approved Functional Schedule for North Carolina State Agencies, Program Record Retention and Disposition Schedule and Electronic Records and Imaging Policy, incorporated by reference with subsequent editions and amendments. The policy can be accessed free of charge at <https://archives.ncdcr.gov/documents/functional-schedule-state-agencies>.

History Note: *Authority G.S. 106-1074; S.L. 2023-134, s. 10.1(c);
Eff. July 1, 2025.*