



Meeting on the Back 40

By Lori Williams

Rendered in pencil, the loan application had trust written all over it. The 1920s farmer offered a chicken coop and a few hogs as collateral. Farm Credit of Enid extended the needed finances. Meeting on a back forty in northwestern Oklahoma, lender and lendee signed in lead on the dotted line.



Farm Credit
WESTERN OKLAHOMA

Eighty years have passed, but some things haven't changed. Farm Credit of Enid (FCEnid) still invests in young, beginning and small farmers and ranchers. Their credit officers still spend at least one day a week out in the field. And FCEnid still dispenses much more than financing.

"We feel like we provide more than money," says Kyle Hohmann, President and CEO. At this independently owned financial services institution, all of the employees have agricultural backgrounds. (For example, Hohmann himself was raised on a northern Oklahoma family farm. He also has 23 years of agriculture lending experience.) This makes doing business with Farm Credit of Enid an added value transaction: Time-tested advice about crop gridding or diversified livestock comes free of charge.

There is also good old fashioned value in the form of dollars and cents. "Our owners are our farmers and ranchers," says Hohmann, "and our board of directors are our borrowers. This ensures that reasonably priced credit will be available during good times and bad." Substantial returns are another part of the equation. "Farm Credit of Enid has paid a patronage refund to association members and borrowers for the past 9 years," says Hohmann. "We share our profits back with our owners." The cash rebate for the past two years was .88% while

the average interest rate reduction for the past nine years was .713%. (For more financials, see www.fcenid.com.)

Of the 100 Farm Credit institutions throughout the United States, seven are in Oklahoma. "What sets the branch in Enid apart," says Hohmann, "is our staff. They are very tenured, aggressive, knowledgeable, and customer-focused." Confident could also be added to the list; after all, the FarmCredit nationwide system holds assets worth approximately \$100 billion.

Unlike banks, FCEnid does not take deposits. Funding comes instead from the sale of bonds issued on Wall Street. But that doesn't keep the FCEnid staff from having a close working relationship with several commercial banks. "We maintain an extensive database on Enid area property values," says Hohmann, "So banks have come to rely on us for their appraisal needs." Commercial banks also tap into FCEnid's counsel when large loans are sought for complex farming operations.

FCEnid's advice is relevant on other points as well. When hunters are in the market for leasable land, Hohmann and his staff know just what farmer or rancher might have a few suitable acres to spare. In these situations, the farmer is the one who reaps financial benefits.

That's just fine with Hohmann, who says "The rewarding part of this business is helping someone be successful." Evidently a taste for that kind of success runs in families; third and fourth generation customers are the norm at FCEnid.

Those very customers will soon do business at a different location. New offices, located at 1605 West Owen K. Garriott in Enid, are set to open in late summer 2007. The new facility will be twice as spacious as the present building.

Such a building is more than just extra square footage. It is also proof of Hohmann's assertion that, "Once we develop a customer relationship, we will have them for the long term."

Long term customers, like third and fourth generation clients, often rely on FCEnid's legal experts for assistance with generational transfers of family properties. Some of these properties even date back to the 1800s. "A lot of this land was homesteaded in the run of 1893," says Hohmann. "Our customers who live on Centennial Farms and Ranches are very proud of their heritage." Making sure that living history farms will

enrich future generations of Oklahomans is one reason why Farm Credit of Enid will be around for the long term.