

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 19 - LIVESTOCK LOANS

001 Section 8-141, as amended, and the requirements of the Uniform Commercial Code, indicate that a bank must not only have a secured interest in any livestock upon which a loan is to be made, but also the bank must show the value of livestock securing the additional ten percent advancement in order to determine whether the market value of the livestock equals one hundred fifteen per cent of the face value of the note.

To assist in setting forth the information required, each bank shall establish an inspection and appraisal report similar to Form 8-141-02. Form 8-141-02 is an example and each bank may determine its own form and content. Provided however, the report shall contain the following minimum information:

- 001A Date of inspection.
- 001B Name, address, and signature of the borrower.
- 001C Date and amount of original note secured by the livestock.
- 001D Total obligation of borrower to the bank.
- 001E Date of security agreement and financing statement.
- 001F Inventory of the livestock by actual count.
- 001G Value of livestock per head.
- 001H Total value of livestock.
- 001I Name, title, and signature of individual making the inspection.

The inspection is to be made within thirty days of the origination of the loan and additional inspections made at least annually thereafter, or more often as prescribed by the Department of Banking.

Form 8-141-02

Revised Date: 02/07/89

SAMPLE COPY

LIVESTOCK LOANS

Inspection and Appraisal Report

Inspection Date

BORROWER: _____ ADDRESS:

Total Line \$ _____ Livestock Line \$ _____ Placed Portion \$

Original Note Date _____ Amount \$

Financing Statement Date _____ Security Agreement Date

Livestock Inventory:

No.	Description	Est. Weight	Per Head Value	TOTAL VALUE
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TOTAL

\$

Remarks, Including Feed Inventory:

The undersigned represents and warrants that the property described in the foregoing report is owned by the undersigned, free and clear of all encumbrances except indebtedness to _____ in the sum of \$ _____ which indebtedness is either unsecured or secured by a financing statement and security agreement on the livestock described. This statement is made to the _____ for the purpose of inducing said bank to advance money on notes executed by the undersigned.

Signature of the Owner

Inspector's Name:

Inspector's Title:

Inspector's Signature: