##### [00:00:00.370] - Speaker 1

Hi there. It's Connie with the Texas Farm Credits Mortgage Division. The properties we lend on here at Texas Farm Credit are as diverse as our group of borrowers. We offer products for individuals that thrive in the hustle and bustle of the city, as well as those that need a little bit more wide open space to serve our clients that live on acreage. We here at Texas Farm Credit have some pretty unique products and guidelines, but one of those principles that we feel really sets us apart from traditional mortgage lenders is the fact that we allow AG exemptions to remain intact.

##### [00:00:34.990] - Speaker 1

Now, what exactly is an agricultural exemption? Well, an AG exemption really isn't an exemption at all. It's actually a special valuation. The Texas Controller describes AG valuations like this if a portion or all of the property is deemed eligible to receive an agricultural valuation, that property will receive a production value along with its market value. In simple terms, this means that property owners will have their property taxes calculated based on the productive agricultural value as opposed to the market value of the land.

##### [00:01:11.930] - Speaker 1

The idea of agricultural land valuation is literally rooted within the Texas Constitution and can be equated to significant tax savings because, let's face it, any type of agricultural land is not cheap to maintain or operate. Properties are eligible for AG valuations for the production of everything from honey to hay, and can even be eligible for wildlife management, depending on the location and the rules of the county. With that being said, AG valuations are not easy to get, and it's really important to keep and maintain them. Although all counties in Texas have unique rules and regulations in regards to special evaluations, part of the Texas Controller's website, all land must be in agricultural production or wildlife management for at least five years before the special valuation will be given. The burden of proof lies with the landowner, and the application can be really time consuming.

##### [00:02:09.710] - Speaker 1

So the subsequent question we often get asked is, why don't other lenders allow AG valuations? Well, although we can't speak for them, what we do know is that if AG exemption or valuation is lost on a property, the current or new property owners could be responsible for three to five years of rollback taxes, including interest. This can get tremendous financial burden for brand new property owners, and this is why we work so hard to ensure our borrowers keep their exemptions on their property. Long story short, Texas Farm Credit understands the significance of AG valuations for our customers and the future of the Texas agricultural industry. We ensure all of our mortgage products allow ad exemptions to stay intact, so that the only thing our customers have to worry about is making they're a little slice of Texas feel like home sweet home.

##### [00:03:03.570] - Speaker 1

If you're interested in learning more about Texas Farm Credit or the products that we offer, give us a shout. We'd love the opportunity to work with you.