

# What Is Farmer Mac?

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A plain-English guide to the secondary market that helps make long-term, fixed-rate farm and land loans possible — and what it means for you as a borrower.

Educational guide · 2026 edition

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**QUICK ANSWER**

Farmer Mac — formally the Federal Agricultural Mortgage Corporation — is a government-sponsored enterprise (GSE) that operates a secondary market for agricultural and rural loans. It buys and guarantees farm real estate, rural housing, and rural infrastructure loans from the lenders who make them. That gives those lenders more capacity and liquidity, which helps them offer farmers and landowners longer terms and more stable, fixed-rate financing. You don't borrow from Farmer Mac directly — you borrow from a lender that may sell or guarantee your loan through it.

## Where Farmer Mac came from

Farmer Mac was born out of the farm financial crisis of the 1980s, when a wave of failures revealed how fragile rural credit could be.

To strengthen and stabilize agricultural lending, Congress chartered Farmer Mac in 1988 under the Agricultural Credit Act of 1987, with operations beginning in 1989. The idea mirrored the housing market's Fannie Mae: create a secondary market so local lenders aren't limited by the loans sitting on their own books, and so credit keeps flowing to rural America at steadier rates.

**1988**

Chartered by Congress under the Agricultural Credit Act of 1987; operations began 1989.

**\$31.1B**

Total outstanding business volume as of Q3 2025 (September 30, 2025).

**GSE**

A privately funded, government-sponsored enterprise — overseen by the Farm Credit Administration.

**In one sentence**

- Farmer Mac is the "behind the scenes" secondary market that helps lenders keep long-term, fixed-rate farm and land credit available and affordable — not a lender you apply to directly.

## How Farmer Mac works

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Think of a relay. A local lender makes a farm or land loan to a borrower. Instead of holding every loan until it's paid off — which would tie up the lender's money — the lender can sell that loan, or buy a guarantee on it, through Farmer Mac. Farmer Mac pools and finances those loans in the broader capital markets.

- 1 A lender originates your loan.** You apply with a bank, Farm Credit institution, or other ag lender. They underwrite and close the loan.
- 2 The lender taps the secondary market.** The lender can sell the loan to Farmer Mac or obtain a guarantee, freeing up capital to make more loans.
- 3 Credit keeps flowing.** That liquidity lets lenders offer longer terms and more stable, fixed-rate options to rural borrowers than they might otherwise.

Farmer Mac's programs span agricultural real estate mortgages, USDA-guaranteed loans, rural housing, and rural utility/infrastructure financing. Its activities are overseen by an independent regulator, the Farm Credit Administration.

## What it means for you as a borrower

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- **You apply through a lender, not Farmer Mac.** If a "Farmer Mac" loan is mentioned, it means your lender is using that secondary market — the relationship and service still run through your lender.
- **Longer, more stable terms.** The secondary market is a big reason long-term, fixed-rate farm and land loans exist at all — useful when you want predictable payments over many years.
- **More capacity for larger loans.** Because lenders aren't capped by their own balance sheets, financing larger land purchases can be more feasible.
- **It doesn't change your fundamentals.** You still need solid financials, collateral, and repayment capacity — the secondary market affects the lender's funding, not your eligibility.

## Frequently asked questions

### Q. Can I get a loan directly from Farmer Mac?

No. Farmer Mac operates in the secondary market — it works with lenders, not directly with borrowers. You apply through a bank, Farm Credit institution, or other ag lender, which may then use Farmer Mac.

### Q. Is Farmer Mac a government agency?

Not exactly. It's a government-sponsored enterprise (GSE): a privately funded, congressionally chartered company, overseen by the Farm Credit Administration. It's similar in concept to Fannie Mae in housing.

### Q. Why should a borrower care about it?

Because the secondary market is a major reason long-term, fixed-rate farm and land loans are available and competitively priced. It quietly supports the financing options you actually use.

### Q. Does a Farmer Mac loan have different requirements?

Your lender sets the application experience, and loans sold or guaranteed through Farmer Mac follow its eligibility standards. You'll still need strong financials, collateral, and repayment capacity — your lender will walk you through specifics.

### Want to understand your own financing options?

AgLoans.com helps you organize your information and get matched with agricultural and land lenders — free and no obligation.

[See how it works at AgLoans.com →](#)

## Sources

**Farm Credit Administration** — "About Farmer Mac" (fca.gov). · **Congressional Research Service** — Farmer Mac overview, IF11595 (congress.gov). · **Federal Agricultural Mortgage Corporation (Farmer Mac)** — corporate fact sheet and 2025 financial results (farmermac.com). · Founding under the Agricultural Credit Act of 1987 (chartered 1988; operations 1989); total outstanding business volume of \$31.1 billion as of September 30, 2025. Figures are point-in-time; verify current data at the sources above.