We Are Farmers and We Live on Our Farm.  
Do We Report the Value of the Farm on the FAFSA?

If you live on your farm and you farm the land, it is considered a family farm and doesn't need to be reported on the FAFSA (you do not need to include the value of land, buildings, machinery, equipment or livestock, etc.). Farmland that you own but is farmed or rented by someone else would be considered an investment farm, and the net worth would be reported on the FAFSA. If you have a question regarding whether or not your farm is a family farm, contact the Division of Financial Aid Office: 765-494-5050.

Farm Value

**Incorporation of family farm:**
The value and debt of a family farm should not be reported on the FAFSA. For student aid purposes, a family farm is the family's principal residence and, in most cases, meets the criteria set forth in IRS Schedule F (the family materially participates in farm operation). In certain instances, however, even if the family farm is incorporated and the family files a corporate return instead of IRS Schedule F, the value and debt of the farm are not reported on the FAFSA. In such cases, the applicant must show evidence that family members own all shares of stock in the corporation and that members of the student's household for financial aid purposes also reside on the farm.

A farm that does not fall into one of the categories above must be reported at its current market value (the amount for which the farm could be sold) as of the date the application was signed. Farm value would include the value of land, buildings, machinery, equipment, livestock, and inventories. If the applicant or parent owns only a portion of the farm, only his or her share of the farm's value can be included.

The value of land and buildings can be verified with a statement from a real estate office, accountant, or lawyer. You can verify the farm's total value with a statement from an accountant or lawyer or by checking a copy of a promissory note for a loan for which the farm was used as collateral. Purchase agreements and inventory assessments are also useful in verifying farm value.

Farm Debt

The amount reported should include the unpaid mortgage and related debts, as well as any loan for which the farm assets were used as collateral. If the applicant or parent owns only a portion of the farm, only his or her share of the debt can be reported. To verify farm debt, you can use a copy of the mortgage; a statement from the mortgage company, from an accountant, or from a lawyer; or copies of notes for loans against the farm. (If the applicant reports a large debt but paid little or no interest in 1996, you may want to investigate further.)
Resources