

## **Patronage Refunds – A Member Benefit!**

One of the most important benefits of being a Farm Credit member-owner is that you stand to share in the Association's profits! Patronage Refunds are, literally, CASH back in your pocket.

### ***What are Patronage Refunds?***

As an agricultural credit cooperative, FCS of Western Arkansas is OWNED by member-borrowers who purchase stock/ participation certificates in the cooperative. At the end of the fiscal year, the Board of Directors can choose to either retain the Association's net income to strengthen its capital position or distribute some, or all, of the net income to member-owners by declaring a dividend on stock, or a Patronage Refund.

When we distribute our profits to our members, it reduces their effective cost of borrowing. It's a distinct financial benefit of doing business with a cooperative.

### ***What this means to Western Arkansas members***

FCS of Western Arkansas returned \$4.3 million in Patronage Refunds to member-owners this year. **This brings total Patronage Refunds paid to members to \$40.5 million since 1997!**

In effect, Patronage Refunds reduce borrowing costs for members. Members earn a Patronage Refund in addition to already competitive interest rates, something that needs to be considered when comparing Farm Credit with other lenders.