Farm Credit Administration

§ 614.4165 Young, beginning, and small farmers and ranchers.

(a) Definitions. (1) For purposes of this subpart, the term “credit” includes:
(i) Loans made to farmers and ranchers and producers or harvesters of aquatic products under title I or II of the Act; and
(ii) Interests in participations made to farmers and ranchers and producers or harvesters of aquatic products under title I or II of the Act.

(2) For purposes of this subpart, the term “services” includes:
(i) Leases made to farmers and ranchers and producers or harvesters of aquatic products under title I or II of the Act; and
(ii) Related services to farmers and ranchers and producers or harvesters of aquatic products under title I or II of the Act.

(b) Farm Credit bank policies. Each Farm Credit Bank and Agricultural Credit Bank must adopt written policies that direct:
(1) The board of each affiliated direct lender association to establish a program to provide sound and constructive credit and services to young, beginning, and small farmers and ranchers and producers or harvesters of aquatic products (YBS farmers and ranchers or YBS). The terms “bona fide farmer or rancher,” and “producer or harvester of aquatic products” are defined in § 613.3000 of this chapter;
(2) Each affiliated direct lender association to include in its YBS farmers and ranchers program provisions ensuring coordination with other System institutions in the territory and other governmental and private sources of credit;
(3) Each affiliated direct lender association to provide, annually, a complete and accurate YBS farmers and ranchers operations and achievements report to its funding bank; and

§ 614.4160 Differential interest rate programs.

Pursuant to policies approved by the board of directors, differential interest rates may be established for loans based on a variety of factors that may include type, purpose, amount, quality, funding or operating costs, or similar factors or combinations of factors. Differential interest rate programs should achieve equitable rate treatment within categories of borrowers. In the adoption of differential interest rate programs, institutions may consider, among other things, the effect that such interest rate structures will have on the achievement of objectives relating to the special credit needs of young, beginning or small farmers.