

Public Law 93-357

AN ACT

To provide temporary emergency livestock financing through the establishment of a guaranteed loan program.

July 25, 1974
[S. 3679]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed \$250,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

Emergency Livestock Credit Act of 1974.
7 USC prec. 1961 note.

"Livestock."

Loan guarantee.

"Legally organized lending agency."

Interest rate.

Loan certification.
7 USC prec. 1961 note.

(c) The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

Guaranteed loan security.
7 USC prec.
1961 note.

SEC. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

Outstanding loan guarantees, limitation.
7 USC prec.
1961 note.
7 USC 1929.

SEC. 5. Loan guarantees outstanding under this Act shall not exceed \$2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

7 USC prec.
1961 note.

SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

7 USC prec.
1961 note.

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

Effective date.
7 USC prec.
1961 note.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

7 USC prec.
1961 note.
7 USC 1932.

SEC. 9. (a) The provisions of section 310B(d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

Regulations.
7 USC prec.
1961 note.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

Approved July 25, 1974.

Public Law 93-358

AN ACT

July 25, 1974
[H. R. 11143]

To provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (41 U.S.C. 46-48c) is amended as follows:

(1) Section 1(a) is amended—

(A) by striking out "Committee for Purchase of Products and Services of" in the first sentence thereof and inserting in lieu thereof "Committee for Purchase from";

Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped.
Appropriation authorization.
41 USC 46.