

105TH CONGRESS
2D SESSION

H. R. 3513

To reform agricultural credit programs of the Department of Agriculture,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1998

Mrs. CLAYTON (for herself, Mrs. MEEK of Florida, Mr. BROWN of California, Mr. HOLDEN, Mr. FROST, Mr. BISHOP, Mr. BONIOR, Mr. THOMPSON, Mr. BOSWELL, Mr. PASTOR, Ms. STABENOW, Mr. ETHERIDGE, Mr. MASCARA, Mr. HILLIARD, Ms. CHRISTIAN-GREEN, Mr. BAESLER, Mr. CONDIT, Mr. SKELTON, Mr. POMEROY, Mr. HINCHEY, Mr. TOWNS, Mr. STARK, Ms. FURSE, Ms. DANNER, Mr. LEWIS of Georgia, Mr. ABERCROMBIE, Mr. GEPHARDT, Mr. SCOTT, Ms. DELAURO, Mr. MCINTYRE, Mr. DOOLEY of California, Mr. SANDERS, Mr. PRICE of North Carolina, Mr. FALEOMAVAEGA, Ms. JACKSON-LEE, Ms. KILPATRICK, Mr. RUSH, Mr. CLYBURN, Mr. WYNN, Mr. DAVIS of Illinois, and Mr. WATT of North Carolina) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To reform agricultural credit programs of the Department
of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Agricultural Credit
5 Restoration Act”.

1 **SEC. 2. AMENDMENTS TO THE CONSOLIDATED FARM AND**
2 **RURAL DEVELOPMENT ACT.**

3 (a) Section 343(a)(12)(B) of the Consolidated Farm
4 and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is
5 amended to read as follows:

6 “(B) EXCEPTIONS.—The term ‘debt for-
7 giveness’ does not include—

8 “(i) consolidation, rescheduling, re-
9 amortization, or deferral of a loan;

10 “(ii) 1 debt forgiveness in the form of
11 a restructuring, write-down, or net recov-
12 ery buy-out during the lifetime of the bor-
13 rower that is due to a financial problem of
14 the borrower relating to a natural disaster
15 or a medical condition of the borrower or
16 of a member of the immediate family of
17 the borrower (or, in the case of a borrower
18 that is an entity, a principal owner of the
19 borrower or a member of the immediate
20 family of such an owner); and

21 “(iii) any restructuring, write-down,
22 or net recovery buy-out provided as a part
23 of a resolution of a discrimination com-
24 plaint against the Secretary.”.

1 (b) Section 353(m) of such Act (7 U.S.C. 2001(m))
2 is amended by striking all that precedes paragraph (2) and
3 inserting the following:

4 “(m) LIMITATION ON NUMBER OF WRITE-DOWNS
5 AND NET RECOVERY BUY-OUTS PER BORROWER.—

6 “(1) IN GENERAL.—The Secretary may provide
7 a write-down or net recovery buy-out under this sec-
8 tion on not more than 2 occasions per borrower with
9 respect to loans made after January 6, 1988.”.

10 (c) Section 353 of such Act (7 U.S.C. 2001) is
11 amended by striking subsection (o).

12 (d) Section 355(c)(2) of such Act (7 U.S.C.
13 2003(c)(2)) is amended to read as follows:

14 “(2) RESERVATION AND ALLOCATION.—

15 “(A) IN GENERAL.—The Secretary shall,
16 to the greatest extent practicable, reserve and
17 allocate the proportion of each State’s loan
18 funds made available under subtitle B that is
19 equal to that State’s target participation rate
20 for use by the socially disadvantaged farmers or
21 ranchers in that State. The Secretary shall, to
22 the extent practicable, distribute the total so
23 derived on a county by county basis according
24 to the number of socially disadvantaged farmers
25 or ranchers in the county.

1 “(B) REALLOCATION OF UNUSED
2 FUNDS.—The Secretary may pool any funds re-
3 served and allocated under this paragraph with
4 respect to a State that are not used as de-
5 scribed in subparagraph (A) in a State in the
6 first 10 months of a fiscal year with the funds
7 similarly not so used in other States, and may
8 reallocate such pooled funds in the discretion of
9 the Secretary for use by socially disadvantaged
10 farmers and ranchers in other States.”.

11 (e) Section 373(b)(1) of such Act (7 U.S.C.
12 2008h(b)(1)) is amended to read as follows:

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), the Secretary may not make or guarantee
15 a loan under subtitle A or B to a borrower who on,
16 2 or more occasions, received debt forgiveness on a
17 loan made or guaranteed under this title.”.

18 (f) Section 373(c) of such Act (7 U.S.C. 2008h(c))
19 is amended to read as follows:

20 “(c) NO MORE THAN 2 DEBT FORGIVENESSES PER
21 BORROWER ON DIRECT LOANS.—The Secretary may not,
22 on 2 or more occasions, provide debt forgiveness to a bor-
23 rower on a direct loan made under this title.”.

1 **SEC. 2. REGULATIONS.**

2 Not later than 90 days after the date of the enact-
3 ment of this Act, the Secretary of Agriculture shall pro-
4 mulgate regulations necessary to carry out the amend-
5 ments made by this Act, without regard to—

6 (1) the notice and comment provisions of sec-
7 tion 553 of title 5, United States Code; and

8 (2) the statement of policy of the Secretary of
9 Agriculture relating to notices of proposed rule-
10 making and public participation in rulemaking that
11 became effective on July 24, 1971 (36 Fed. Reg.
12 13804).

○