

106TH CONGRESS
2D SESSION

S. 961

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2000

Referred to the Committee on Agriculture

AN ACT

To amend the Consolidated Farm and Rural Development
Act to improve shared appreciation arrangements.

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

1 **SECTION 1. SHARED APPRECIATION ARRANGEMENTS.**

2 (a) IN GENERAL.—Section 353(e) of the Consoli-
3 dated Farm and Rural Development Act (7 U.S.C.
4 2001(e)) is amended by striking paragraph (2) and insert-
5 ing the following:

6 “(2) TERMS.—A shared appreciation agreement
7 entered into by a borrower under this subsection
8 shall—

9 “(A) have a term not to exceed 10 years;

10 “(B) provide for recapture based on the
11 difference between—

12 “(i) the appraised value of the real se-
13 curity property at the time of restruc-
14 turing; and

15 “(ii) that value at the time of recap-
16 ture, except that that value shall not in-
17 clude the value of any capital improve-
18 ments made to the real security property
19 by the borrower after the time of restruc-
20 turing; and

21 “(C) allow the borrower to obtain a loan,
22 in addition to any other outstanding loans
23 under this title, to pay any amounts due on a
24 shared appreciation agreement, at a rate of in-
25 terest that is not greater than the rate of inter-
26 est on outstanding marketable obligations of

1 the United States of a maturity comparable to
2 that of the loan.”.

3 (b) APPLICATION.—The amendment made by sub-
4 section (a) shall apply to a shared appreciation arrange-
5 ment entered into under section 353(e) of the Consoli-
6 dated Farm and Rural Development Act (7 U.S.C.
7 2001(e)) that matures on or after the date of enactment
8 of this Act.

Passed the Senate November 19, 1999.

Attest:

GARY SISCO,
Secretary.