

119TH CONGRESS
1ST SESSION

H. R. 1991

To amend the Consolidated Farm and Rural Development Act to modify limitations on amounts of farm ownership loans and operating loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2025

Mr. FINSTAD (for himself and Ms. CRAIG) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Consolidated Farm and Rural Development Act to modify limitations on amounts of farm ownership loans and operating loans, 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 “Producer and Agricul-
5 tural Credit Enhancement Act of 2025”.

6 **SEC. 2. LIMITATIONS ON LOAN AMOUNTS.**

7 (a) LIMITATIONS ON AMOUNT OF FARM OWNERSHIP
8 LOANS.—Section 305(a)(2) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 1925(a)(2)) is amended

1 by striking “\$600,000, or, in the case of a loan guaranteed
2 by the Secretary, \$1,750,000 (increased, beginning with
3 fiscal year 2019” and inserting “\$850,000, or, in the case
4 of a loan guaranteed by the Secretary, \$3,500,000 (in-
5 creased, beginning with fiscal year 2025”.

6 (b) LIMITATIONS ON AMOUNT OF OPERATING
7 LOANS.—Section 313(a)(1) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1943(a)(1)) is amended
9 by striking “\$400,000, or, in the case of a loan guaranteed
10 by the Secretary, \$1,750,000 (increased, beginning with
11 fiscal year 2019” and inserting “\$750,000, or, in the case
12 of a loan guaranteed by the Secretary, \$3,000,000 (in-
13 creased, beginning with fiscal year 2025”.

14 **SEC. 3. INFLATION PERCENTAGE.**

15 Section 305(c) of the Consolidated Farm and Rural
16 Development Act (7 U.S.C. 1925(c)) is amended—

17 (1) in paragraph (1), by striking “of the Prices
18 Paid By Farmers Index (as compiled by the Na-
19 tional Agricultural Statistics Service of the Depart-
20 ment of Agriculture) for the 12-month period ending
21 on July 31 of the immediately preceding fiscal year”
22 and inserting “of the per acre average United States
23 farm real estate value, the per acre average United
24 States cropland value, and the per acre average
25 United States pasture value for the preceding year

1 (as published in the applicable Agricultural Land
2 Values report of the National Agricultural Statistics
3 Service of the Department of Agriculture), weighted
4 equally”; and

5 (2) in paragraph (2), by striking “of such index
6 (as so defined) for the 12-month period that imme-
7 diately precedes the 12-month period described in
8 paragraph (1)” and inserting “of the per acre aver-
9 age United States farm real estate value, the per
10 acre average United States cropland value, and the
11 per acre average United States pasture value for the
12 year immediately preceding the year described in
13 paragraph (1) (as so published), weighted equally”.

14 **SEC. 4. DOWN PAYMENT LOAN PROGRAM.**

15 Section 310E(b)(1) of the Consolidated Farm and
16 Rural Development Act (7 U.S.C. 1935(b)(1)) is amend-
17 ed—

18 (1) in the matter preceding subparagraph (A),
19 by striking “exceed 45 percent of the least” and in-
20 sserting “exceed, subject to section 305(a), 45 per-
21 cent of the lesser”;

22 (2) in subparagraph (A), by adding “or” after
23 the semicolon;

24 (3) in subparagraph (B), by striking “; or” and
25 inserting a period; and

1 (4) by striking subparagraph (C).

2 **SEC. 5. LIMITATION ON MICROLOAN AMOUNTS.**

3 Section 313(c)(2) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1943(c)(2)) is amended
5 by striking “\$50,000” and inserting “\$100,000”.

6 **SEC. 6. REFINANCING OF GUARANTEED LOANS INTO DI-**
7 **RECT LOANS.**

8 (a) IN GENERAL.—Not later than 1 year after the
9 date of enactment of this Act, the Secretary of Agri-
10 culture, acting through the Administrator of the Farm
11 Service Agency (referred to in this section as the “Sec-
12 retary”), shall promulgate regulations allowing certain
13 loans guaranteed by the Farm Service Agency to be refi-
14 nanced into direct loans issued by the Farm Service Agen-
15 cy, in accordance with this section.

16 (b) REQUIREMENTS.—

17 (1) IN GENERAL.—The regulations promulgated
18 under subsection (a) shall provide that a guaranteed
19 loan described in that subsection may be refinanced
20 into a direct loan described in that subsection only
21 if the Secretary determines that—

22 (A) the guaranteed loan is distressed;

23 (B) the borrower on that guaranteed loan
24 has attempted to work with the lender and has
25 been unsuccessful;

1 (C) a reasonable chance for the success of
2 the operation financed by the guaranteed loan
3 exists; and

4 (D) all other criteria established by the
5 Secretary for purposes of this section to protect
6 taxpayer funds and the loan programs of the
7 Farm Service Agency have been satisfied.

8 (2) REASONABLE CHANCE OF SUCCESS.—For
9 purposes of paragraph (1)(C), the Secretary may de-
10 termine that a reasonable chance for the success of
11 an operation exists if the Secretary determines
12 that—

13 (A) all relevant problems with the oper-
14 ation financed by the guaranteed loan—

15 (i) have been identified; and

16 (ii) can be corrected; and

17 (B) on correction of those problems, the
18 operation can achieve, or be returned to, a
19 sound financial basis.

20 (c) NO EFFECT ON SUBSIDIES.—In carrying out this
21 section, the Secretary shall ensure that the refinancing of
22 guaranteed loans into direct loans has no impact on the
23 subsidy rate of—

24 (1) loans guaranteed by the Farm Service
25 Agency; or

1 (2) direct loans issued by the Farm Service
2 Agency.

3 (d) LOAN PROGRAMS.—In making direct loans pur-
4 suant to the regulations promulgated under subsection
5 (a), the Secretary may refinance a loan guaranteed under
6 1 program of the Farm Service Agency into a direct loan
7 issued under another program of the Farm Service Agen-
8 cy, as the Secretary determines to be appropriate and in
9 accordance with the laws applicable to the program under
10 which the new direct loan is issued.

11 (e) MAXIMUM AMOUNT OF DIRECT REFINANCING
12 LOANS.—A direct loan issued by the Farm Service Agency
13 pursuant to the regulations promulgated under subsection
14 (a) shall be subject to any otherwise applicable limitation
15 on the maximum amount of a direct loan issued by the
16 Farm Service Agency, including, if applicable, the limita-
17 tions described in—

18 (1) section 305 of the Consolidated Farm and
19 Rural Development Act (7 U.S.C. 1925); and

20 (2) section 313 of that Act (7 U.S.C. 1943).

21 **SEC. 7. SENSE OF THE CONGRESS.**

22 It is the sense of the Congress that—

23 (1) access to credit is essential to the success
24 of farmers and ranchers; and

1 (2) microloans, direct loans, and guaranteed
2 loans provided by the Farm Service Agency should
3 be fully funded to meet producer demand, help be-
4 ginning farmers and ranchers, and support family
5 farms.

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