

Public Law 94-68
94th Congress

An Act

To amend the Consolidated Farm and Rural Development Act.

Aug. 5, 1975

[S. 555]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consolidated Farm and Rural Development Act (the Act) is amended as follows:

Emergency farm
loans.
7 USC 1921 note.
7 USC 1961.

SEC. 2. Subsection (a) of section 321 of the Act is amended to read: "The Secretary shall designate any area in the United States, Puerto Rico, and the Virgin Islands as an emergency area if he finds that a natural disaster has occurred in said area which substantially affected farming, ranching, or aquaculture operations. For purposes of this subtitle 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment."

"Aquaculture."

SEC. 3. Subsection (b) of section 321 of the Act is amended as follows:

(a) in the first sentence after the words "major disaster" insert "or emergency", strike the words "oyster planters" and "oyster planting" and insert in lieu thereof the words "persons engaged in aquaculture" and "aquaculture", respectively; and

(b) delete everything after the first sentence, strike the period, and insert: "and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. The provisions of this subsection shall not be applicable to loan applications filed prior to July 9, 1975."

SEC. 4. Section 322 of the Act is amended to read: "Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title, as well as for crop or livestock changes deemed desirable by the applicant: *Provided*, That such loans may include, but are not limited to, the amount of the actual loss sustained as a result of the disaster."

7 USC 1962.

SEC. 5. Section 324 of the Act is amended to read: "Loans made or insured under this Act shall be (1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary. All such loans shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon the best security available, as the Secretary may prescribe: *Provided*, That the security is adequate to assure repayment of the loans; except that if such security is not available because of the disaster, the Secretary shall (i) accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the Secretary, together with his confidence in the repayment ability

Interest rate.
7 USC 1964.

Liability and
security.

7 USC 1922,
1941.

- of the applicant, is adequate security for the loan, and (ii) make such loan repayable at such times as he may determine, not later than that provided under subtitles A and B of this title, as justified by the needs of the applicant: *Provided further*, That for any disaster occurring after January 1, 1975, the Secretary, if the loan is for a purpose described in subtitle B of this title, may make the loan repayable at the end of a period of more than seven years, but not more than twenty years, if the Secretary determines that the need of the loan applicant justifies such a longer repayment period: *Provided further*, That notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this amendment under section 7(b) (1), (2), or (4) of the Small Business Act shall bear interest at the rate determined in the first paragraph following section 7(b) (8) of such Act for loans under paragraphs (3), (5), (6), (7), or (8) of section 7(b)."
- 7 USC 1922, 1941.
- 15 USC 636.
- 7 USC 1965. SEC. 6. Section 325 of the Act is amended to read as follows: "The Secretary may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area within a State of the United States, Puerto Rico, or the Virgin Islands on the same terms and conditions set out in section 321(a) without any formal area designation being made: *Provided*, That the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area."
- 7 USC 1961.
- 7 USC 1970. SEC. 7. At the end of subtitle C of the Act, add a new section 329 stating: "An applicant seeking financial assistance based on production losses must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 per centum loss of normal per acre or per animal production as a result of the disaster."
- 7 USC 1971. SEC. 8. At the end of subtitle C of the Act, add a new section 330 stating: "Subsequent loans, to continue the farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis, for not to exceed five additional years, to eligible borrowers, at the prevailing rate of interest in the private market for similar loans as determined by the Secretary, when the financial situation of the farming, ranching, or aquaculture operation has not improved sufficiently to permit the borrower to obtain such financing from other sources."
- 7 USC 1993. SEC. 9. At the end of subtitle D of the Act, add a new section 345 to read as follows:

"Sec. 345. On or before February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, as amended, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund."

Testimony before congressional committees.
7 USC 1993.

7 USC 1921 note.

Approved August 5, 1975.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-211 (Comm. on Agriculture) and No. 94-378 (Comm. of Conference).

SENATE REPORTS: No. 94-59 (Comm. on Agriculture and Forestry) and No. 94-290 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 121 (1975):

Mar. 26, considered and passed Senate.

July 9, considered and passed House, amended.

July 21, Senate agreed to conference report.

July 25, House agreed to conference report.