

solidated Farm and Rural Development Act made by subsection (b) of this section [amending this section and sections 1962 to 1964 and 1971 of this title] shall be effective with respect to loans approved by the Secretary of Agriculture under subtitle C [this subchapter] after the date of enactment of this Act [Oct. 13, 1980], except that, for borrowers with loans outstanding under subtitle C as of December 15, 1979—

“(1) the limits on loans under section 324 of the Consolidated Farm and Rural Development Act [section 1964 of this title] made by subsection (b)(1) of this section [amending this section and sections 1962 to 1964 of this title], and

“(2) the reduction in the time limit on subsequent emergency loans under section 330 of the Consolidated Farm and Rural Development Act [section 1971 of this title] made by subsection (b)(2) of this section [amending section 1971 of this title]

shall not apply to subsequent emergency loans under section 330 (as in effect on the date preceding the date of enactment of this Act) that are made to such borrowers for the disasters for which the borrowers obtained loans under subtitle C prior to December 16, 1979.”

Amendment by Pub. L. 96-302 effective Oct. 1, 1980, see section 507 of Pub. L. 96-302, set out as a note under section 631 of Title 15, Commerce and Trade.

EFFECTIVE DATE OF 1974 AMENDMENT

Pub. L. 93-237, §10(b), Jan. 2, 1974, 87 Stat. 1025, provided that: “The provisions of subsection (a) of this section [amending this section] shall be given effect with respect to all loan applications and loans made in connection with a disaster occurring on or after April 20, 1973.”

Pub. L. 93-237, §10(d), Jan. 2, 1974, 87 Stat. 1025, provided in part that: “The provisions of this subsection [amending this section] shall be given effect with respect to all loan applications and loans made in connection with a disaster occurring on or after December 27, 1972.”

INELIGIBILITY FOR EMERGENCY LOANS

Pub. L. 101-82, title III, §301, Aug. 14, 1989, 103 Stat. 581, provided that: “Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) shall not apply to a person who otherwise would be eligible for an emergency loan under subtitle C of such Act [7 U.S.C. 1961 et seq.], if such eligibility is the result of damage to an annual crop planted for harvest in 1989.”

Similar provisions were contained in the following prior act:

Pub. L. 100-387, title III, §311, Aug. 11, 1988, 102 Stat. 948.

NINETY-DAY EXTENSION AFTER JANUARY 2, 1974, OF DEADLINE FOR SEEKING ASSISTANCE WITH REGARD TO DISASTERS OCCURRING ON OR AFTER DECEMBER 27, 1972

Pub. L. 93-237, §10(c), Jan. 2, 1974, 87 Stat. 1025, provided that: “With regard to all disasters occurring on or after December 27, 1972, the Secretary of Agriculture shall extend for ninety days after the date of enactment of this section [Jan. 2, 1974] the deadline for seeking assistance under section 321 of the Consolidated Farm and Rural Development Act [this section] as amended by this section [amending this section].”

§ 1962. Loan determination factors; written credit declinations

(a) For the purpose of determining whether to make or insure any loan under this subchapter, the Secretary shall take into consideration the net worth of the applicant involved, including all the assets and liabilities of the applicant.

(b) For the purpose of determining whether an applicant under this subchapter is not able to

obtain sufficient credit elsewhere, the Secretary shall require at least one written indication of declination of credit, from a legally organized lending institution within reasonable proximity to the applicant, that specifies the reasons for the declination: *Provided*, That for loans in excess of \$300,000, the Secretary shall require at least two such written declinations: *Provided further*, That for loans of \$100,000 or less, the Secretary may waive the requirement of this subsection if the Secretary determines that it would impose an undue burden on the applicant.

(Pub. L. 87-128, title III, §322, Aug. 8, 1961, 75 Stat. 311; Pub. L. 94-68, §4, Aug. 5, 1975, 89 Stat. 381; Pub. L. 96-438, §3(b)(1), Oct. 13, 1980, 94 Stat. 1873; Pub. L. 104-127, title VI, §622, Apr. 4, 1996, 110 Stat. 1091.)

Editorial Notes

AMENDMENTS

1996—Subsec. (b). Pub. L. 104-127 substituted “loans of \$100,000 or less” for “loans of \$300,000 or less”.

1980—Pub. L. 96-438 substituted provisions prescribing factors to be considered in determining whether to make or insure a loan and relating to the need for applicants unable to obtain sufficient credit elsewhere to provide written credit declinations for provisions relating to the purpose and extent of loans under this subchapter.

1975—Pub. L. 94-68 extended authority to finance crop or livestock changes deemed desirable as a result of changes in market demand, and to make emergency loans in excess of the actual loss sustained as a result of the natural disaster.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-127 effective 90 days after Apr. 4, 1996, see section 663(b) of Pub. L. 104-127, set out as a note under section 1922 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-438 effective with respect to loans approved after Oct. 13, 1980, except for certain subsequent emergency loans, see section 3(d) of Pub. L. 96-438, set out as a note under section 1961 of this title.

§ 1963. Purpose and extent of loans

Loans may be made or insured under this subchapter for any purpose authorized for loans under subchapter I or II of this chapter and for crop or livestock changes that are necessitated by a quarantine, natural disaster, major disaster, or emergency and that are deemed desirable by the applicant, subject to the limitations on the amounts of loans provided in section 1964(a) of this title.

(Pub. L. 87-128, title III, §323, Aug. 8, 1961, 75 Stat. 311; Pub. L. 96-438, §3(b)(1), Oct. 13, 1980, 94 Stat. 1873; Pub. L. 104-127, title VI, §623, Apr. 4, 1996, 110 Stat. 1091; Pub. L. 107-171, title V, §5201(b), May 13, 2002, 116 Stat. 344.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this title”, meaning title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act, which is classified principally to this chapter. For complete classification of title III