

§ 1969. Repealed. Pub. L. 93-24, § 1, Apr. 20, 1973, 87 Stat. 24

Section, Pub. L. 87-128, title III, §328, as added Pub. L. 92-385, §5, Aug. 16, 1972, 86 Stat. 557, provided for emergency loans for major and natural disasters occurring between June 30, 1971, and July 1, 1973, providing in: subsec. (a) for cancellation of existing loans and the considerations in making grants, loans, and refinancing of loans; subsec. (b) for loans for loss or damage to agricultural crops; subsec. (c) for amount of loans and interest rates; subsec. (d) for availability of benefits irrespective of age; subsec. (e) for availability of benefits irrespective of approval date; and subsec. (f) for report to Congress.

Statutory Notes and Related Subsidiaries

LOANS TO ELIGIBLE APPLICANTS IN AREAS DETERMINED AS NATURAL DISASTER AREAS AFTER JANUARY 1, 1972, AND BEFORE DECEMBER 27, 1972; TIME FOR ACCEPTANCE OF APPLICATIONS

Pub. L. 93-24, §8, Apr. 20, 1973, 87 Stat. 25, provided that: "Notwithstanding the repeal herein of section 5 of Public Law 92-385 [this section], and notwithstanding any other provision of law, the Secretary of Agriculture shall make loans in accordance with the provisions of section 5 of Public Law 92-385 [this section] to eligible applicants in natural disaster areas determined or designated by the Secretary of Agriculture where such determination or designation had been made after January 1, 1972 and prior to December 27, 1972. The authority to accept applications for such loans shall expire 18 days after the effective date of this Act [Apr. 20, 1973]."

CONTINUATION OF SECRETARY'S AUTHORITY WITH RESPECT TO NATURAL DISASTERS OCCURRING AFTER DECEMBER 26, 1972, AND PRIOR TO APRIL 20, 1973

Pub. L. 93-237, §4, Jan. 2, 1974, 87 Stat. 1024, provided that: "Notwithstanding the provisions of Public Law 93-24 [which repealed this section], the Secretary of Agriculture shall continue to exercise his authority with respect to natural disasters which occurred after December 26, 1972, but prior to April 20, 1973, in accordance with the provisions of section 5 of Public Law 92-385 [this section] as such section was in effect prior to April 20, 1973."

§ 1970. Eligibility for assistance based on production loss

The Secretary shall make financial assistance under this subchapter available to any applicant seeking assistance based on production losses if the applicant shows that a single enterprise which constitutes a basic part of the applicant's farming, ranching, or aquaculture operation has sustained at least a 30 per centum loss of normal per acre or per animal production, or such lesser per centum of loss as the Secretary may determine, as a result of the disaster based upon the average monthly price in effect for the previous year and the applicant otherwise meets the conditions of eligibility prescribed under this subchapter. Such loans shall be made available based upon 80 per centum, or such greater per centum as the Secretary may determine, of the total calculated actual production loss sustained by the applicant.

(Pub. L. 87-128, title III, §329, as added Pub. L. 94-68, §7, Aug. 5, 1975, 89 Stat. 382; amended Pub. L. 97-35, title I, §163, Aug. 13, 1981, 95 Stat. 378.)

Editorial Notes

AMENDMENTS

1981—Pub. L. 97-35 increased specific per centum loss from 20 to 30, and authorized a lesser per centum loss pursuant to determinations by the Secretary under applicable criteria.

§ 1971. Repealed. Pub. L. 99-198, title XIII, § 1308(d), Dec. 23, 1985, 99 Stat. 1523

Section, Pub. L. 87-128, title III, §330, as added Pub. L. 94-68, §8, Aug. 5, 1975, 89 Stat. 382; amended Pub. L. 96-438, §3(b)(2), Oct. 13, 1980, 94 Stat. 1875, authorized additional emergency loans.

SUBCHAPTER IV—ADMINISTRATIVE PROVISIONS

§ 1981. Farmers Home Administration

(a) Appointment and compensation of Administrator; transfer of powers, duties, and assets pertaining to agricultural credit

In accordance with section 2006a of this title, for purposes of this chapter, and for the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the Act of August 28, 1937, as amended, the Act of April 6, 1949, as amended, the Act of August 31, 1954, as amended, and the powers and duties of the Secretary under any other Act authorizing agricultural credit, the Secretary may assign and transfer such powers, duties, and assets to such officers or agencies of the Department of Agriculture as the Secretary considers appropriate.

(b) Powers of Secretary of Agriculture

The Secretary may—

(1) administer his powers and duties through such national, area, State, or local offices and employees in the United States as he determines to be necessary and may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not sufficient to justify separate State offices, and until January 1, 1975, make contracts for services incident to making, insuring, collecting, and servicing loans and property as determined by the Secretary to be necessary for carrying out the purposes of this chapter; (and the Secretary shall prior to June 30, 1974, report to the Congress through the President on the experience in using such contracts, together with recommendations for such legislation as he may see fit);

(2) accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

(3) within the limits of appropriations made therefor, make necessary expenditures for purchase or hire of passenger vehicles, and such other facilities and services as he may from time to time find necessary for the proper administration of this chapter;

(4) compromise, adjust, reduce, or charge-off debts or claims (including debts and claims

arising from loan guarantees), and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Consolidated Farm Service Agency,¹ Rural Utilities Service, Rural Housing Service, Rural Business-Cooperative Service, or a successor agency, or the Rural Development Administration, except for activities under the Housing Act of 1949 [42 U.S.C. 1441 et seq.]. In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph. The Secretary may not require liquidation of property securing any farmer program loan or acceleration of any payment required under any farmer program loan as a prerequisite to initiating an action authorized under this subsection. After consultation with a local or area county committee, the Secretary may release borrowers or others obligated on a debt, except for debt incurred under the Housing Act of 1949, from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim, except that no compromise, adjustment, reduction, or charge-off of any claim may be made or carried out after the claim has been referred to the Attorney General, unless the Attorney General approves;

(5) except for activities conducted under the Housing Act of 1949 [42 U.S.C. 1441 et seq.], collect all claims and obligations administered by the Farmers Home Administration, or under any mortgage, lease, contract, or agreement entered into or administered by the Farmers Home Administration and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction;

(6) release mortgage and other contract liens if it appears that they have no present or prospective value or that their enforcement likely would be ineffectual or uneconomical;

(7) obtain fidelity bonds protecting the Government against fraud and dishonesty of officers and employees of the Farmers Home Administration in lieu of faithful performance of duties bonds under section 14² of title 6, and regulations issued pursuant thereto, but otherwise in accordance with the provisions thereof;

(8) consent to (A) long-term leases of facilities financed under this subchapter notwithstanding the failure of the lessee to meet any of the requirements of this subchapter if such long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor, and (B) the transfer of property securing any loan or financed by any loan or grant made, insured, or held by the Secretary under this chapter, or the provisions of any other law administered by the Rural Development Administration under this chapter or by the Farmers Home Administra-

tion, upon such terms as he deems necessary to carry out the purpose of the loan or grant or to protect the financial interest of the Government, and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower; and

(9) notwithstanding that an area ceases, or has ceased, to be “rural”, in a “rural area”, or an eligible area, make loans and grants, and approve transfers and assumptions, under this chapter on the same basis as though the area still was rural in connection with property securing any loan made, insured, or held by the Secretary under this chapter or in connection with any property held by the Secretary under this chapter.

(c) Delinquent claims and obligations

The Secretary may use for the prosecution or defense of any claim or obligation described in subsection (b)(5) the Attorney General, the General Counsel of the Department of Agriculture, or a private attorney who has entered into a contract with the Secretary.

(d) Rural college coordinated strategy

(1) In general

The Secretary shall develop a coordinated strategy across the relevant programs within the Rural Development mission areas to serve the specific, local needs of rural communities when making investments in rural community colleges and technical colleges through other authorities in effect on February 7, 2014.

(2) Consultation

In developing a coordinated strategy, the Secretary shall consult with groups representing rural-serving community colleges and technical colleges to coordinate critical investments in rural community colleges and technical colleges involved in workforce training.

(3) Administration

Nothing in this subsection provides a priority for funding under authorities in effect on February 7, 2014.

(4) Use

The Secretary shall use the coordinated strategy and information developed for the strategy to more effectively serve rural communities with respect to investments in community colleges and technical colleges.

(e) Development of rural broadband infrastructure

(1) Except as provided in paragraph (2), the Secretary may allow a recipient of a grant, loan, or loan guarantee provided by the Office of Rural Development under this chapter to use not more than 10 percent of the amount so provided—

(A) for any activity for which assistance may be provided under section 601 of the Rural Electrification Act of 1936 [7 U.S.C. 950bb]; or

(B) to construct other broadband infrastructure.

(2) Paragraph (1) of this subsection shall not apply to a recipient who is seeking to provide retail broadband service in any area where retail

¹ See Change of Name note below.

² See References in Text note below.

broadband service is available at the minimum broadband speeds, as defined under section 601(e) of the Rural Electrification Act of 1936 [7 U.S.C. 950bb(e)].

(3) The Secretary shall not provide funding under paragraph (1) if the funding would result in competitive harm to any grant, loan, or loan guarantee provided under the Rural Electrification Act of 1936.

(f) Access to information to verify income for participants in certain rural housing programs

The Secretary and the designees of the Secretary are hereby granted the same access to information and subject to the same requirements applicable to the Secretary of Housing and Urban Development as provided in section 653 of title 42 and section 6103(l)(7)(D)(ix) of title 26 to verify income for individuals participating in sections 502, 504, 521, and 542 of the Housing Act of 1949 (42 U.S.C. 1472, 1474, 1490a, and 1490r), notwithstanding section 653(l) of title 42.

(Pub. L. 87-128, title III, §331, Aug. 8, 1961, 75 Stat. 312; Pub. L. 90-488, §11, Aug. 15, 1968, 82 Stat. 771; Pub. L. 92-419, title I, §124, Aug. 30, 1972, 86 Stat. 665; Pub. L. 95-334, title I, §121, Aug. 4, 1978, 92 Stat. 427; Pub. L. 97-98, title XVI, §1603, Dec. 22, 1981, 95 Stat. 1346; Pub. L. 99-198, title XIII, §1309, Dec. 23, 1985, 99 Stat. 1523; Pub. L. 100-233, title VI, §615(c), Jan. 6, 1988, 101 Stat. 1682; Pub. L. 101-624, title XVIII, §§1805, 1806, title XXIII, §§2303(a), 2388(d)(1), Nov. 28, 1990, 104 Stat. 3819, 3981, 4052; Pub. L. 102-237, title V, §501(c), title VII, §701(h)(1)(E), Dec. 13, 1991, 105 Stat. 1866, 1880; Pub. L. 103-248, §2, May 11, 1994, 108 Stat. 619; Pub. L. 103-354, title II, §226(h), Oct. 13, 1994, 108 Stat. 3216; Pub. L. 104-127, title VI, §§631, 632, title VII, §748, Apr. 4, 1996, 110 Stat. 1092, 1128; Pub. L. 107-171, title V, §§5303, 5304(a), May 13, 2002, 116 Stat. 345; Pub. L. 113-79, title VI, §6018, Feb. 7, 2014, 128 Stat. 846; Pub. L. 115-334, title VI, §§6210(a), 6417, Dec. 20, 2018, 132 Stat. 4743, 4763.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (b)(1), (3), (8), (9), and (e)(1), 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 to the Code, see Short Title note set out under section 1921 of this title and Tables.

The Farmers Home Administration Act of 1946, as amended, referred to in subsec. (a), is act Aug. 14, 1946, ch. 964, 60 Stat. 1062, as amended, which was classified to sections 1001 to 1005, 1005a to 1005d, 1007, 1008, 1009, 1015 to 1029, 1030, and 1031 of this title, section 371 of Title 12, Banks and Banking, and section 82h of Title 31, Money and Finance, and in so far as it amended provisions of Title I, II, and IV of the Bankhead-Jones Farm Tenant Act, was repealed by section 341(a) of Pub. L. 87-128, and is covered by this chapter.

The Bankhead-Jones Farm Tenant Act, as amended, referred to in subsec. (a), is act July 22, 1937, ch. 517, 50 Stat. 522, as amended. Title III of act July 22, 1937, as amended, is classified to sections 1010 to 1012 and 1013a of this title. Titles I, II, and IV of act July 22, 1937, as amended, were formerly classified to sections 1001 to 1005, 1005a to 1005d, 1006, 1006c to 1006e, 1007, 1008, 1009, 1014 to 1025, 1026, and 1027 to 1029 of this title, respec-

tively, were repealed by section 341(a) of Pub. L. 87-128, and are covered by this chapter.

Act of August 28, 1937, as amended, referred to in subsec. (a), is act Aug. 28, 1937, ch. 870, 50 Stat. 869, as amended, which was formerly classified to sections 590r to 590x-4 of Title 16, Conservation, was repealed by section 341(a) of Pub. L. 87-128, and is covered by this chapter.

Act of April 6, 1949, as amended, referred to in subsec. (a), is act Apr. 6, 1949, ch. 49, 63 Stat. 43, as amended, which was formerly classified to sections 1148a-1 to 1148a-3 of Title 12, Banks and Banking, was repealed by section 341(a) of Pub. L. 87-128, and is covered by this chapter.

Act of August 31, 1954, as amended, referred to in subsec. (a), is act Aug. 31, 1954, ch. 1145, 68 Stat. 999, which was formerly classified as a note under section 1148a-1 of Title 12, was repealed by section 341(a) of Pub. L. 87-128, and is covered by this chapter.

The Housing Act of 1949, as amended, referred to in subsec. (b)(4), (5), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, which is classified principally to chapter 8A (§1441 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of Title 42 and Tables.

The Rural Electrification Act of 1936, referred to in subsecs. (b)(4) and (e)(3), is act May 20, 1936, ch. 432, 49 Stat. 1363, which is classified generally to chapter 31 (§901 et seq.) of this title. For complete classification of this Act to the Code, see section 901 of this title and Tables.

Section 14 of title 6, referred to in subsec. (b)(7), was repealed by Pub. L. 92-310, title II, §203(1), June 6, 1972, 86 Stat. 202. For provisions relating to surety bonds of Federal personnel, see section 9301 et seq. of Title 31, Money and Finance.

AMENDMENTS

2018—Subsec. (e). Pub. L. 115-334, §6210(a), added subsec. (e).

Subsec. (f). Pub. L. 115-334, §6417, added subsec. (f).

2014—Subsec. (d). Pub. L. 113-79 added subsec. (d).

2002—Subsec. (b)(4). Pub. L. 107-171, §5303, substituted “After consultation with a local or area county committee, the Secretary may release” for “The Secretary may release” and “carried out after” for “carried out—

“(A) with respect to farmer program loans, on terms more favorable than those recommended by the appropriate county committee utilized pursuant to section 1982 of this title; or

“(B) after”.

Subsecs. (d), (e). Pub. L. 107-171, §5304(a), struck out subsecs. (d) and (e) which related to temporary authority to enter into contracts, and private collection agency, respectively.

1996—Subsec. (b)(4). Pub. L. 104-127, §748, inserted “(including debts and claims arising from loan guarantees)” after “debts or claims”, substituted “Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing Service, Rural Business-Cooperative Service, or a successor agency, or” for “Farmers Home Administration or”, and inserted “In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.” after “activities under the Housing Act of 1949 [42 U.S.C. 1441 et seq.]”.

Subsec. (d). Pub. L. 104-127, §631, added subsec. (d).

Subsec. (e). Pub. L. 104-127, §632, added subsec. (e).

1994—Subsec. (a). Pub. L. 103-354 substituted “assets to such officers or agencies of the Department of Agriculture as the Secretary considers appropriate.” for “assets to the Farmers Home Administration, to be headed by an Administrator, appointed by the President, by and with the advice and consent of the Senate, without regard to the civil service laws or chapter 51 and subchapter III of chapter 53 of title 5, who shall receive basic compensation as provided by law for that

office, or may assign and transfer such powers, duties, and assets to the Rural Development Administration as provided by law for that office.”

Subsec. (c). Pub. L. 103–248 added subsec. (c).

1991—Pub. L. 102–237, § 501(c)(2)(B)(i), amended directory language of Pub. L. 101–624, § 2388(d)(1). See 1990 Amendment note below.

Subsec. (b)(1), (2). Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Subsec. (b)(3). Pub. L. 102–237, § 701(h)(1)(E), substituted “this chapter” for “this Act”.

Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Subsec. (b)(4). Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Pub. L. 102–237, § 501(c)(1), struck out “this chapter” after “activities under the Housing Act of 1949” and substituted “1949, from” for “1949 from”.

Subsec. (b)(4)(A). Pub. L. 102–237, § 501(c)(2)(B)(iii), redesignated Pub. L. 101–624, § 2388(d)(1)(A)(vi), as (v). See 1990 Amendment note below.

Subsec. (b)(4)(B). Pub. L. 102–237, § 501(c)(2)(B)(iii), redesignated Pub. L. 101–624, § 2388(d)(1)(A)(vi), as (v). See 1990 Amendment note below.

Subsec. (b)(5). Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Subsec. (b)(6). Pub. L. 102–237, § 501(c)(2)(B)(ii), (iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(i), (vi). See 1990 Amendment note below.

Pub. L. 102–237, § 501(c)(2)(A), repealed Pub. L. 101–624, § 1805(c)(1), (2). See 1990 Amendment note below.

Subsec. (b)(7). Pub. L. 102–237, § 501(c)(2)(B)(ii), (iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(i), (vi). See 1990 Amendment note below.

Pub. L. 102–237, § 501(c)(2)(A), repealed Pub. L. 101–624, § 1805(c)(1), (3). See 1990 Amendment note below.

Subsec. (b)(8). Pub. L. 102–237, § 501(c)(2)(B)(ii)–(v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(i), (iv), (vi). See 1990 Amendment note below.

Pub. L. 102–237, § 501(c)(2)(A), repealed Pub. L. 101–624, § 1805(c)(1), (4). See 1990 Amendment note below.

Subsec. (b)(9). Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Pars. (c) to (g). Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), amended directory language of Pub. L. 101–624, § 2388(d)(1)(A)(vi). See 1990 Amendment note below.

Par. (h). Pub. L. 102–237, § 501(c)(2)(B)(iii), repealed Pub. L. 101–624, § 2388(d)(1)(A)(iv). See 1990 Amendment note below.

Pub. L. 102–237, § 501(c)(2)(A), amended Pub. L. 101–624, § 1805(b), and repealed Pub. L. 101–624, § 1805(c)(5). See 1990 Amendment note below.

Pars. (i), (j). Pub. L. 102–237, § 501(c)(2)(A), amended Pub. L. 101–624, § 1805(b), and repealed Pub. L. 101–624, § 1805(c)(5). See 1990 Amendment note below.

1990—Pub. L. 101–624, § 2388(d)(1), was amended in its directory language by Pub. L. 102–237, § 501(c)(2)(B)(i), resulting in no change in text.

Subsec. (a). Pub. L. 101–624, §§ 2303(a)(1), 2388(d)(1)(B), designated first undesignated par. as subsec. (a) and substituted “In accordance with section 2006a of this title, for purposes of this chapter, and” for “For the purposes of this chapter and”, and inserted before period at end “, or may assign and transfer such powers, duties, and assets to the Rural Development Administration as provided by law for that office”.

Subsec. (b). Pub. L. 101–624, § 2388(d)(1)(B), designated second undesignated par. beginning “The Secretary may—” as subsec. (b).

Subsec. (b)(1) to (3). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), redesignated pars. (a) to (c) as (1) to (3), respectively, of subsec. (b).

Subsec. (b)(4). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L.

102–237, § 501(c)(2)(B)(iii), (v), redesignated par. (d) as (4) of subsec. (b).

Pub. L. 101–624, §§ 1805(a)(1)(A), (B), 2303(a)(2), inserted “or the Rural Development Administration” after “Farmers Home Administration” in first sentence, substituted “, except for activities under the Housing Act of 1949” for “under any of its programs, as circumstances may require, to carry out” in first sentence, and substituted “, except for debt incurred under the Housing Act of 1949” for “incurred under this chapter” in third sentence.

Subsec. (b)(4)(A). Pub. L. 101–624, § 2388(d)(1)(A)(v), formerly (vi), as redesignated by Pub. L. 102–237, § 501(c)(2)(B)(iii), redesignated subpar. (1) as (A).

Pub. L. 101–624, § 1805(a)(1)(C), inserted “with respect to farmer program loans,” before “on terms”.

Subsec. (b)(4)(B). Pub. L. 101–624, § 2388(d)(1)(A)(v), formerly (vi), as redesignated by Pub. L. 102–237, § 501(c)(2)(B)(iii), redesignated subpar. (2) as (B).

Subsec. (b)(5). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), redesignated par. (e) as (5) of subsec. (b).

Pub. L. 101–624, § 1805(a)(2), inserted “except for activities conducted under the Housing Act of 1949,” before “collect”, struck out “arising or” after “obligations”, substituted “by the Farmers Home Administration” for “under this chapter” before “, or under any” and “by the Farmers Home Administration” for “pursuant to this chapter” before “and, if in his”.

Subsec. (b)(6). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), redesignated par. (f) as (6) of subsec. (b).

Pub. L. 101–624, § 2388(d)(1)(A)(ii), substituted “release” for “Release”.

Pub. L. 101–624, § 2388(d)(1)(A)(i), as amended by Pub. L. 102–237, § 501(c)(2)(B)(ii), realigned margin.

Pub. L. 101–624, § 1805(c)(1), (2), which made amendments identical to those by Pub. L. 101–624, § 2388(d)(1)(A)(i), (ii), was repealed by Pub. L. 102–237, § 501(c)(2)(A).

Subsec. (b)(7). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), redesignated par. (g) as (7) of subsec. (b).

Pub. L. 101–624, § 2388(d)(1)(A)(iii), substituted “obtain” for “Obtain”.

Pub. L. 101–624, § 2388(d)(1)(A)(i), as amended by Pub. L. 102–237, § 501(c)(2)(B)(ii), realigned margin.

Pub. L. 101–624, § 1805(c)(1), (3), which made amendments identical to those by Pub. L. 101–624, § 2388(d)(1)(A)(i), (iii), was repealed by Pub. L. 102–237, § 501(c)(2)(A).

Subsec. (b)(8). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (v), redesignated par. (h) [par. (i) prior to redesignation by Pub. L. 101–624, § 1805(b), as amended] as (8) of subsec. (b).

Pub. L. 101–624, § 2388(d)(1)(A)(iv)(II), formerly (v)(II), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(iii), (iv), redesignated former subpars. (1) and (2) as (A) and (B), respectively.

Pub. L. 101–624, § 2303(a)(3), inserted “Rural Development Administration under this chapter or by the” before “Farmers Home Administration”.

Pub. L. 101–624, § 1806, inserted before semicolon at end “, and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower”.

Pub. L. 101–624, § 2388(d)(1)(A)(i), (iv)(I), formerly (v)(I), as redesignated and amended by Pub. L. 102–237, § 501(c)(2)(B)(ii)–(iv), realigned margin and substituted “consent” for “Consent”.

Pub. L. 101–624, § 1805(c)(1), (4), which made amendments identical to those by Pub. L. 101–624, § 2388(d)(1)(A)(i), (iv)(I), was repealed by Pub. L. 102–237, § 501(c)(2)(A).

Subsec. (b)(9). Pub. L. 101–624, § 2388(d)(1)(A)(vi), formerly (vii), as redesignated and amended by Pub. L.

102-237, § 501(c)(2)(B)(iii), (v), redesignated par. (i) [par. (j) prior to redesignation by Pub. L. 101-624, § 1805(b), as amended] as (9) of subsec. (b).

Pars. (c) to (g). Pub. L. 101-624, § 2388(d)(1)(A)(vi), formerly (vii), (B), as redesignated and amended by Pub. L. 102-237, § 501(c)(2)(B)(iii), (v), redesignated former pars. (c) to (g) as (3) to (7), respectively, of subsec. (b). See above.

Par. (h). Pub. L. 101-624, § 2388(d)(1)(A)(iv), which directed substitution of “not” for “Not” before “require”, was repealed by Pub. L. 102-237, § 501(c)(2)(B)(iii).

Pub. L. 101-624, § 1805(c)(5), which redesignated par. (i) as (h), was repealed by Pub. L. 102-237, § 501(c)(2)(A).

Pub. L. 101-624, § 1805(b), as amended by Pub. L. 102-237, § 501(c)(2)(A), redesignated par. (i) as (h) and struck out par. (h) which read as follows: “Not require borrowers to pay interest accrued after December 31, 1972, on interest which is not more than 90 days overdue on any loan held or insured by the Farmers Home Administration.”

Pars. (i), (j). Pub. L. 101-624, § 1805(c)(5), which redesignated pars. (i) and (j) as (h) and (i), respectively, was repealed by Pub. L. 102-237, § 501(c)(2)(A).

Pub. L. 101-624, § 1805(b), as amended by Pub. L. 102-237, § 501(c)(2)(A), redesignated pars. (i) and (j) as (h) and (i), respectively. Pars. (h) and (i) subsequently redesignated pars. (8) and (9) of subsec. (b). See above.

1988—Par. (d). Pub. L. 100-233 inserted “or debts” before “claims”, and inserted “The Secretary may not require liquidation of property securing any farmer program loan or acceleration of any payment required under any farmer program loan as a prerequisite to initiating an action authorized under this subsection.”

1985—Par. (d). Pub. L. 99-198, § 1309, in amending par. (d) generally, substituted provisions authorizing the Secretary to compromise, adjust, reduce, or charge-off claims, and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Farmers Home Administration to carry out this chapter for provisions which had authorized the Secretary to compromise, adjust, or reduce claims, and adjust and modify the terms of mortgages, leases, contracts and agreements entered into or administered by the Administration under any of its programs, but not in the event of claims of \$25,000 or more without the approval of the Administrator, substituted provisions authorizing the Secretary to release borrowers or others obligated on a debt incurred under this chapter from personal liability with or without consideration at the time of the compromise, adjustment, reduction or charge-off of any claim for provisions authorizing the Secretary to release from personal liability, with or without payment of any consideration at the time of adjustment of the claims, borrowers who transferred the security property to approved applicants, to other than approved applicants, or for amounts less than the indebtedness secured thereby, struck out provisions that compromise, adjustment, or reduction of the claim shall be based on the value of the security and a determination of the debtor's reasonable ability to pay considering his other assets and income, and struck out provisions relating to any claim due and payable for five years or more and to partial releases and subordination of mortgages.

1981—Par. (i). Pub. L. 97-98 designated existing provisions following “consent to” as cl. (2) and added cl. (1). 1978—Pub. L. 95-334 in par. (a) struck out references to Puerto Rico and the Virgin Islands, in par. (d) substituted “\$25,000” for “\$15,000”, and added par. (j).

1972—Par. (a). Pub. L. 92-419, § 124(1), authorized the Secretary of Agriculture, until Jan. 1, 1975, to make contracts for services incident to making, insuring, collecting, and servicing loans and property as determined by the Secretary to be necessary for carrying out the purposes of this chapter, and required the Secretary, prior to June 30, 1974, to report to Congress through the President on the experience in using such contracts, together with recommendations for such legislation as he may see fit.

Pars. (d) to (i). Pub. L. 92-419, § 124(2), substituted a semicolon for a period at end of lettered pars. (d), (e) and (f) and added pars. (g) to (i).

1968—Par. (f). Pub. L. 90-488 added par. (f).

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Consolidated Farm Service Agency effectively renamed Farm Service Agency by the amendments made to section 6932 of this title by Pub. L. 115-334, title XII, § 12404(a), Dec. 20, 2018, 132 Stat. 4974.

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-171, title V, § 5304(b), May 13, 2002, 116 Stat. 345, provided that: “The amendment made by subsection (a) [amending this section] shall not apply to a contract entered into before the effective date of this Act [May 13, 2002].”

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by section 501(c) of Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, and amendment by section 701(h)(1)(E) of Pub. L. 102-237 to any provision specified therein effective as if included in act that added provision so specified at the time such act became law, see section 1101(b)(3), (c) of Pub. L. 102-237, set out as a note under section 1421 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

CONTINUATION OF SMALL FARMER TRAINING AND TECHNICAL ASSISTANCE PROGRAM

Pub. L. 99-198, title XIII, § 1328, Dec. 23, 1985, 99 Stat. 1541, provided that: “The Secretary of Agriculture shall, during the period beginning on the date of enactment of this Act [Dec. 23, 1985] and ending on September 30, 1988, maintain at substantially current levels the small farmer training and technical assistance program in the office of the Administrator of the Farmers Home Administration.”

REAMORTIZATION OF DISTRESSED FARMERS HOME ADMINISTRATION LOANS FROM REVENUES FROM SOFTWOOD TIMBER CROP PLANTINGS ON MARGINAL LAND

Pub. L. 98-258, title VI, § 608, Apr. 10, 1984, 98 Stat. 140, as amended by Pub. L. 99-198, title XII, § 1254, Dec. 23, 1985, 99 Stat. 1517, provided that:

“(a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this section referred to as the ‘Secretary’) may implement a program, pursuant to the recommendations contained in the study mandated by section 608 of the Agricultural Programs Adjustment Act of 1984 (7 U.S.C. 1421 [1981] note), under which a distressed loan (as determined by the Secretary) made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or a portion thereof, may be reamortized with the use of future revenue produced from the planting of softwood timber crops on marginal land (as determined by the Secretary) that—

“(A) was previously used to produce an agricultural commodity or as pasture; and

“(B) secures a loan made or insured under such Act.

“(2) Accrued interest on a loan reamortized under this section may be capitalized and interest charged on such interest.

“(3) All or a portion of the payments on such reamortized loan may be deferred until such softwood timber crop produces revenue or for a term of 45 years, whichever comes first.

“(4) Repayment of such reamortized loan shall be made not later than 50 years after the date of reamortization.

“(b) The interest rate on such reamortized loans shall be determined by the Secretary, but not in excess of the current average yield on outstanding marketable obligations of the United States with periods of maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary and adjusted to the nearest one-eighth of 1 percent.

“(c) To be eligible for such program—

“(1) the borrower of such reamortized loan must place not less than 50 acres of such land in softwood timber production;

“(2) such land (including timber) may not have any lien against such land other than a lien for—

“(A) a loan made or insured under the Consolidated Farm and Rural Development Act [7 U.S.C. 1921 et seq.] to secure such reamortized loan; or

“(B) a loan made under this section, at the time of reamortization or thereafter, that is subject to a lien on such land (including timber) in favor of the Secretary; and

“(3) the total amount of loans secured by such land (including timber) may not exceed \$1,000 per acre.

“(d)(1) To assist such borrowers to place such land in softwood timber production, the Secretary may make loans to such borrowers for such purpose in an aggregate amount not to exceed the actual cost of tree planting for land placed in the program.

“(2) Any such loan shall be secured by the land (including timber) on which the trees are planted.

“(3) Such loans shall be made on the same terms and conditions as are provided in this section for reamortized loans.

“(e) The Secretary shall issue such rules as are necessary to carry out this section, including rules prescribing terms and conditions for—

“(1) reamortizing and making loans under this section;

“(2) entering into security instruments and agreements under this section; and

“(3) management and harvesting practices of the timber crop.

“(f) There are authorized to be appropriated such sums as are necessary to carry out this section.

“(g) No more than 50,000 acres may be placed in such program.”

§ 1981a. Loan moratorium and policy on foreclosures

(a) In general

In addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this chapter, or under the provisions of any other law administered by the Farmers Home Administration or by the Rural Development Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided*, That if the security instrument securing such loan is foreclosed such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest

from the date of foreclosure at the rate prescribed by law.

(b) Moratorium

(1) In general

Subject to the other provisions of this subsection, effective beginning on the date of the enactment of this subsection, there shall be in effect a moratorium, with respect to farmer program loans made under subchapter I, II, or III, on all acceleration and foreclosure proceedings instituted by the Department of Agriculture against any farmer or rancher who—

(A) has pending against the Department a claim of program discrimination that is accepted by the Department as valid; or

(B) files a claim of program discrimination that is accepted by the Department as valid.

(2) Waiver of interest and offsets

During the period of the moratorium, the Secretary shall waive the accrual of interest and offsets on all farmer program loans made under subchapter I, II, or III for which loan acceleration or foreclosure proceedings have been suspended under paragraph (1).

(3) Termination of moratorium

The moratorium shall terminate with respect to a claim of discrimination by a farmer or rancher on the earlier of—

(A) the date the Secretary resolves the claim; or

(B) if the farmer or rancher appeals the decision of the Secretary on the claim to a court of competent jurisdiction, the date that the court renders a final decision on the claim.

(4) Failure to prevail

If a farmer or rancher does not prevail on a claim of discrimination described in paragraph (1), the farmer or rancher shall be liable for any interest and offsets that accrued during the period that loan acceleration or foreclosure proceedings have been suspended under paragraph (1).

(Pub. L. 87-128, title III, §331A, as added Pub. L. 95-334, title I, §122, Aug. 4, 1978, 92 Stat. 427; amended Pub. L. 101-624, title XXIII, §2303(b), Nov. 28, 1990, 104 Stat. 3981; Pub. L. 110-234, title XIV, §14002(a), May 22, 2008, 122 Stat. 1442; Pub. L. 110-246, §4(a), title XIV, §14002(a), June 18, 2008, 122 Stat. 1664, 2204.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), 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 to the Code, see Short Title note set out under section 1921 of this title and Tables.

The date of the enactment of this subsection, referred to in subsec. (b)(1), is the date of enactment of Pub. L. 110-246, which was approved June 18, 2008.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.