

ing section 1981d(b)(1) of this title] shall become effective 120 days after the date of enactment of this Act [Nov. 28, 1990].

“(c) DEBT RESTRUCTURING AND LOAN SERVICING.—

“(1) IN GENERAL.—Except as provided in section 353(c)(6)(A)(ii) of the Consolidated Farm and Rural Development Act [7 U.S.C. 2001(c)(6)(A)(iii)] (as added by section 1816(f) of this Act) and in paragraph (3) of this subsection, section 1816 of this Act and the amendments made by such section 1816 [amending this section and section 1985 of this title] shall apply to new applications submitted under section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) on or after the date of enactment of this Act [Nov. 28, 1990].

“(2) DEFINITION OF NEW APPLICATION.—As used in paragraph (1), the term ‘new application’ means an application submitted by a borrower to initiate a debt restructuring consideration and not an application reconsidered after an appeal or revision of the original application.

“(3) LIQUIDATION OF ASSETS.—Section 353(o) of the Consolidated Farm and Rural Development Act [7 U.S.C. 2001(o)] (as added by section 1816(h) of this Act) shall not apply until the Secretary of Agriculture has issued final regulations to carry out such section 353(o).

“(d) RESTORATION OF FIRST LIEN ON STOCK.—The amendment made by section 1833 of this Act [enacting section 2076a of Title 12 and amending section 2077 of Title 12] shall be effective as of January 7, 1988.

“(e) REGULATIONS.—As soon as practicable after the date of enactment of this Act [Nov. 28, 1990]—

“(1) the Secretary of Agriculture shall issue such regulations as are necessary to carry out subtitles A and C of this Act [probably means subtitles A (§§ 1801–1824) and C (§§ 1851–1854) of title XVIII of Pub. L. 101–624, enacting sections 1981f and 2006a to 2006e of this title and section 5143 of Title 25, amending this section, sections 1924, 1927, 1933, 1934, 1942, 1946, 1981, 1981d, 1982, 1983, 1983a, 1983b, 1985, 1991, 1997, 2003, and 5106 of this title and section 5141 of Title 25, enacting provisions set out as a note under section 1981f of this title, amending provisions set out as a note under section 1985 of this title, and repealing provisions set out as a note preceding section 1961 of this title] and the amendments made by such subtitles; and

“(2) the Farm Credit Administration shall issue such regulations as are necessary to carry out subtitle B of this Act [probably means subtitle B (§§ 1831–1843) of title XVIII of Pub. L. 101–624, enacting section 2076a of Title 12, amending section 3132 of Title 5 and sections 2019, 2075, 2077, 2218, 2252, 2254, 2277a–5, 2277a–9, 2277a–10, 2277a–14, 2278a–6, 2279aa, and 2279aa–11 of Title 12, and enacting provisions set out as a note under section 2001 of Title 12] and the amendments made by such subtitle.”

SUSPENSION OF COLLECTION ACTIVITIES DURING  
TRANSITION PERIOD

Pub. L. 100–233, title VI, § 615(d), Jan. 6, 1988, 101 Stat. 1682, provided that: “The Secretary of Agriculture shall not initiate any acceleration, foreclosure, or liquidation in connection with any delinquent farmer program loan before the date the Secretary has issued final regulations to carry out the amendments made by this section [enacting section 2001 of this title and amending sections 1927a and 1981 of this title]. The preceding sentence shall not prohibit the Secretary from taking any action with respect to waste, fraud, or abuse by the borrower.”

**§ 2001a. Debt restructuring and loan servicing for community facility loans**

The Secretary shall establish and implement a program that is similar to the program established under section 2001 of this title, except that the debt restructuring and loan servicing

procedures shall apply to delinquent community facility program loans (rather than delinquent farmer program loans) made by the Farmers Home Administration to a hospital or health care facility under section 1926(a) of this title.

(Pub. L. 87–128, title III, § 353A, as added Pub. L. 101–624, title XXIII, § 2384(a), Nov. 28, 1990, 104 Stat. 4050.)

**Statutory Notes and Related Subsidiaries**

REGULATIONS

Pub. L. 101–624, title XXIII, § 2384(b), Nov. 28, 1990, 104 Stat. 4050, provided that: “Not later than 120 days after the date of enactment of this Act [Nov. 28, 1990], the Secretary shall promulgate regulations, modeled after those promulgated under such section 353 [7 U.S.C. 2001], that implement the program established under section 353A of the Consolidated Farm and Rural Development Act [7 U.S.C. 2001a].”

**§ 2002. Transfer of inventory lands**

**(a) In general**

Subject to subsection (b), the Secretary may transfer to any Federal or State agency, for conservation purposes any real property, or interest therein, administered by the Secretary under this Act—

- (1) with respect to which the rights of all prior owners and operators have expired;
- (2) that is eligible to be disposed of in accordance with section 1985 of this title; and
- (3) that—
  - (A) has marginal value for agricultural production;
  - (B) is environmentally sensitive; or
  - (C) has special management importance.

**(b) Conditions**

The Secretary may not transfer any property or interest in property under subsection (a) unless—

- (1) at least 2 public notices are given of the transfer;
- (2) if requested, at least 1 public meeting is held prior to the transfer; and
- (3) the Governor and at least 1 elected county official of the State and county where the property is located are consulted prior to the transfer.

(Pub. L. 87–128, title III, § 354, as added Pub. L. 100–233, title VI, § 616, Jan. 6, 1988, 101 Stat. 1682; amended Pub. L. 104–127, title VI, § 646, Apr. 4, 1996, 110 Stat. 1103.)

**Editorial Notes**

REFERENCES IN TEXT

This Act, referred to in subsec. (a), refers to the Agricultural Act of 1961, Pub. L. 87–128, Aug. 8, 1961, 75 Stat. 294. For classification of this Act to the Code, see Short Title note set out under section 1911 of this title and Tables. However, the reference was probably intended to be “this title” meaning the Consolidated Farm and Rural Development Act, title III of Pub. L. 87–128, as amended, which is classified principally to this chapter. For classification of this title to the Code, see Short Title note set out under section 1921 of this title and Tables.

AMENDMENTS

1996—Pub. L. 104–127 designated existing provisions as subsec. (a), inserted heading, substituted “Subject to

subsection (b), the Secretary” for “The Secretary, without reimbursement,” in introductory provisions, added par. (2) and struck out former par. (2) which read as follows: “that is determined by the Secretary to be suitable or surplus; and”, and added subsec. (b).

### § 2003. Target participation rates

#### (a) Establishment

##### (1) In general

The Secretary shall establish annual target participation rates, on a county wide basis, that shall ensure that members of socially disadvantaged groups will receive loans made or insured under subchapter I and will have the opportunity to purchase or lease inventory farmland.

##### (2) Group population

Except as provided in paragraph (3), in establishing such target rates the Secretary shall take into consideration the portion of the population of the county made up of such groups, and the availability of inventory farmland in such county.

##### (3) Gender

With respect to gender, target participation rates shall take into consideration the number of current and potential socially disadvantaged farmers and ranchers in a State in proportion to the total number of farmers and ranchers in the State.

#### (b) Reservation and allocation

##### (1) Reservation

The Secretary shall, to the greatest extent practicable, reserve sufficient loan funds made available under subchapter I, for use by members of socially disadvantaged groups identified under target participation rates established under subsection (a).

##### (2) Allocation

The Secretary shall allocate such loans on the basis of the proportion of members of socially disadvantaged groups in a county and the availability of inventory farmland, with the greatest amount of loan funds being distributed in the county with the greatest proportion of socially disadvantaged group members and the greatest amount of available inventory farmland.

##### (3) Indian reservations

In distributing loan funds in counties within the boundaries of an Indian reservation, the Secretary shall allocate the funds on a reservation-wide basis.

#### (c) Operating loans

##### (1) Establishment

The Secretary shall establish annual target participation rates, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subchapter II. In establishing such target rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers in a State in proportion to the total number of farmers and ranchers in that State.

##### (2) Reservation and allocation

The Secretary shall, to the greatest extent practicable, reserve and allocate the propor-

tion of each State’s loan funds made available under subchapter II that is equal to that State’s target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county. Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this chapter, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.

#### (d) Report

The Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the annual target participation rates and the success in meeting such rates.

#### (e) Definitions

##### (1) Socially disadvantaged group

As used in this section, the term “socially disadvantaged group” means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

##### (2) Socially disadvantaged farmer or rancher

As used in this section, the term “socially disadvantaged farmer or rancher” means a farmer or rancher who is a member of a socially disadvantaged group.

#### (f) Implementation consistent with Supreme Court holding

Not later than 180 days after April 4, 1996, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in *Adarand Constructors, Inc. v. Federico Pena*, Secretary of Transportation, 115 S. Ct. 2097 (1995).

(Pub. L. 87-128, title III, §355, as added Pub. L. 100-233, title VI, §617, Jan. 6, 1988, 101 Stat. 1682; amended Pub. L. 101-624, title XVIII, §1817, title XXV, §2501(f), Nov. 28, 1990, 104 Stat. 3829, 4065; Pub. L. 102-554, §21(a), (b), Oct. 28, 1992, 106 Stat. 4161; Pub. L. 104-127, title VI, §647, Apr. 4, 1996, 110 Stat. 1104; Pub. L. 107-171, title V, §5315, May 13, 2002, 116 Stat. 348.)

#### Editorial Notes

##### REFERENCES IN TEXT

For definition of “this chapter”, referred to in subsecs. (c)(2), see note set out under section 1921 of this title.

##### AMENDMENTS

2002—Subsec. (c)(2). Pub. L. 107-171 substituted “Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this chapter, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated