

**§ 2006a. Borrower training****(a) In general**

The Secretary shall enter into contracts to provide educational training to all borrowers of farmer program direct loans made under this chapter in financial and farm management concepts associated with commercial farming.

**(b) Contract****(1) In general**

The Secretary may contract with State or private providers of farm management and credit counseling services (including a community college, the extension service of a State, a State department of agriculture, or a nonprofit organization) to carry out this section.

**(2) Consultation**

The Secretary may consult with the chief executive officer of a State concerning the identity of the contracting organization and the process for contracting.

**(c) Eligibility for loans****(1) In general**

Subject to paragraph (2), to be eligible to obtain a direct loan under this chapter, a borrower must obtain management assistance under this section, appropriate to the management ability of the borrower (as determined by the appropriate county committee during the determination of eligibility for the loan).

**(2) Loan conditions**

The need of a borrower who satisfies the criteria set out in section 1922(a)(1)(B) or 1941(a)(1)(B) of this title for management assistance under this section shall not be cause for denial of eligibility of the borrower for a direct loan under this chapter.

**(d) Guidelines and curriculum**

The Secretary shall issue regulations establishing guidelines and curriculum for the borrower training program established under this section.

**(e) Payment**

A borrower shall pay for training received under this section, and may use funds from operating loans made under subchapter II to pay for the training.

**(f) Waivers****(1) In general**

The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

**(2) Criteria**

The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.

(Pub. L. 87-128, title III, §359, as added Pub. L. 101-624, title XVIII, §1818(a), Nov. 28, 1990, 104 Stat. 3829; amended Pub. L. 105-277, div. A, §101(a) [title VIII, §805(3)], Oct. 21, 1998, 112 Stat. 2681, 2681-39; Pub. L. 107-171, title V, §5316,

5501(c), May 13, 2002, 116 Stat. 348, 351; Pub. L. 113-79, title V, §5306, Feb. 7, 2014, 128 Stat. 840.)

**Editorial Notes**

## REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) and (c), 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.

## AMENDMENTS

2014—Subsec. (c)(2). Pub. L. 113-79 substituted “section 1922(a)(1)(B) or 1941(a)(1)(B)” for “section 1922(a)(2) or 1941(a)(2)”.

2002—Subsec. (c)(1). Pub. L. 107-171, §5501(c), struck out “established pursuant to section 1982 of this title,” after “appropriate county committee”.

Subsec. (f). Pub. L. 107-171, §5316, added subsec. (f) and struck out heading and text of former subsec. (f). Text read as follows: “The Secretary may waive the requirements of this section for an individual borrower on a determination by the county committee that the borrower demonstrates adequate knowledge in areas described in this section.”

1998—Subsec. (a). Pub. L. 105-277, §101(a) [title VIII, §805(3)(A)], struck out “and guaranteed” after “direct”.

Subsec. (c). Pub. L. 105-277, §101(a) [title VIII, §805(3)(B)], struck out “or guaranteed” after “direct” in pars. (1) and (2).

**§ 2006b. Loan assessments****(a) In general**

The Secretary shall evaluate, in accordance with regulations issued by the Secretary, the farming plan and financial situation of each qualified farmer or rancher applicant.

**(b) Determinations**

In evaluating the farming plan and financial situation of an applicant under this section, the Secretary shall determine—

(1) the amount that the applicant will need to borrow to carry out the proposed farming plan;

(2) the rate of interest that the applicant would need to be able to cover expenses and build an adequate equity base;

(3) the goals of the proposed farming plan of the applicant;

(4) the financial viability of the plan and any changes that are necessary to make the plan viable; and

(5) whether assistance is necessary under this chapter and, if so, the amount of the assistance.

**(c) Contract**

The Secretary may contract with a third party (including those entities eligible to provide borrower training under section 2006a(b) of this title) to conduct loan assessments under this section.

**(d) Review of loans****(1) In general**

Loan assessments conducted under this section shall include annual review of direct loans, and periodic review (as determined necessary by the Secretary) of guaranteed loans, made under this chapter to assess the progress