

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.

§ 2008e. Prohibition under rural development programs

(a) Prohibition

Assistance under any rural development program administered by the Rural Development Administration, the Farmers Home Administration, the Rural Electrification Administration, or any other agency of the Department of Agriculture shall not be conditioned on any requirement that the recipient of such assistance accept or receive electric service from any particular utility, supplier, or cooperative.

(b) Ensuring compliance

The Secretary shall establish, by regulation, adequate safeguards to ensure that assistance under such rural development programs is not subject to such a condition. Such safeguards shall include periodic certifications and audits, and appropriate measures and sanctions against any person violating, or attempting to violate, the prohibition in subsection (a).

(c) Regulations

Not later than 6 months after November 1, 1993, the Secretary shall issue interim final regulations to ensure compliance with subsection (a).

(Pub. L. 87-128, title III, § 370, as added Pub. L. 103-129, § 5, Nov. 1, 1993, 107 Stat. 1366.)

§ 2008f. Crop insurance requirement

(a) In general

As a condition of obtaining any benefit (including a direct loan, loan guarantee, or payment) described in subsection (b), a borrower must obtain at least catastrophic risk protection insurance coverage under section 1508 of this title for the crop and crop year for which the benefit is sought, if the coverage is offered by the Corporation.

(b) Applicable benefits

Subsection (a) shall apply to—

- (1) a farm ownership loan (FO) under section 1923 of this title;
- (2) an operating loan (OL) under section 1942 of this title; and
- (3) an emergency loan (EM) under section 1961 of this title.

(Pub. L. 87-128, title III, § 371, as added Pub. L. 103-354, title I, § 119(b), Oct. 13, 1994, 108 Stat. 3208.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as an Effective Date of 1994 Amendment note under section 1502 of this title.

§ 2008g. Payment of interest as condition of loan servicing for borrowers

The Secretary may not reschedule or reamortize a loan for a borrower under this chapter who has not requested consideration under section 1981d(e) of this title unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

(Pub. L. 87-128, title III, § 372, as added Pub. L. 104-127, title VI, § 648(a), Apr. 4, 1996, 110 Stat. 1104.)

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 to the Code, see Short Title note set out under section 1921 of this title and Tables.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

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

§ 2008h. Loan and loan servicing limitations

(a) Delinquent borrowers prohibited from obtaining direct operating loans

The Secretary may not make a direct operating loan under subchapter II to a borrower who is delinquent on any loan made or guaranteed under this chapter.

(b) Prohibition of loans for borrowers that have received debt forgiveness

(1) Prohibitions

Except as provided in paragraph (2)—

(A) the Secretary may not make a loan under this chapter to a borrower that has received debt forgiveness on a loan made or guaranteed under this chapter; and

(B) the Secretary may not guarantee a loan under this chapter to a borrower that has received—

(i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this chapter; or

(ii) received debt forgiveness on more than 3 occasions on or before April 4, 1996.

(2) Exceptions

(A) In general

The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower who—

(i) was restructured with a write-down under section 2001 of this title;

(ii) is current on payments under a confirmed reorganization plan under chapters¹ 11, 12, or 13 of title 11; or

(iii) received debt forgiveness on not more than 1 occasion resulting directly

¹ So in original. Probably should be “chapter”.

and primarily from a major disaster or emergency designated by the President on or after April 4, 1996, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) Emergency loans

(i) In general

The Secretary may make an emergency loan under section 1961 of this title to a borrower that—

(I) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this chapter; and

(II) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this chapter.

(ii) Restructured loans

For purposes of clause (i), a borrower who was restructured with a write-down or restructuring under section 2001 of this title shall not be considered to have received debt forgiveness on a loan made or guaranteed under this chapter.

(c) No more than 1 debt forgiveness for borrower on direct loan

The Secretary may not provide to a borrower debt forgiveness on a direct loan made under this chapter if the borrower has received debt forgiveness on another direct loan made under this chapter.

(Pub. L. 87-128, title III, §373, as added Pub. L. 104-127, title VI, §648(b), Apr. 4, 1996, 110 Stat. 1104; amended Pub. L. 105-277, div. A, §101(a) [title VIII, §801], Oct. 21, 1998, 112 Stat. 2681, 2681-37; Pub. L. 107-171, title V, §5319, May 13, 2002, 116 Stat. 348; Pub. L. 115-334, title V, §5307, Dec. 20, 2018, 132 Stat. 4673.)

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 to the Code, see Short Title note set out under section 1921 of this title and Tables.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (b)(2)(A)(iii), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143, which is classified principally to chapter 68 (§5121 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 5121 of Title 42 and Tables.

AMENDMENTS

2018—Subsec. (b)(2)(B). Pub. L. 115-334 designated existing provisions as cl. (i) and inserted heading, redesignated former cls. (i) and (ii) as subcls. (I) and (II), respectively, of cl. (i), and added cl. (ii).

2002—Subsec. (b)(2)(A)(iii). Pub. L. 107-171 added cl. (iii).

1998—Subsec. (b). Pub. L. 105-277 added subsec. (b) and struck out heading and text of former subsec. (b). Text read as follows:

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this chapter to a borrower who received debt forgiveness on a loan made or guaranteed under this chapter.

“(2) EXCEPTION.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower who was restructured with a write-down under section 2001 of this title.”

§ 2008i. Short form certification of farm program borrower compliance

The Secretary shall develop and utilize a consolidated short form for farm program borrowers to use in certifying compliance with any applicable provision of law (including a regulation) that serves as an eligibility prerequisite for a loan made under this chapter.

(Pub. L. 87-128, title III, §374, as added Pub. L. 104-127, title VI, §649, Apr. 4, 1996, 110 Stat. 1105.)

Editorial Notes

REFERENCES IN TEXT

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Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

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

§ 2008j. Transferred

Section, Pub. L. 87-128, title III, §375, as added Pub. L. 104-127, title VII, §759, Apr. 4, 1996, 110 Stat. 1132; amended Pub. L. 106-78, title VIII, §816, Oct. 22, 1999, 113 Stat. 1182; Pub. L. 106-387, §1(a) [title VII, §756], Oct. 28, 2000, 114 Stat. 1549, 1549A-43; Pub. L. 107-76, title VII, §731, Nov. 28, 2001, 115 Stat. 736; Pub. L. 108-7, div. A, title VII, §728, Feb. 20, 2003, 117 Stat. 42; Pub. L. 108-199, div. A, title VII, §726, Jan. 23, 2004, 118 Stat. 35; Pub. L. 108-447, div. A, title VII, §725, Dec. 8, 2004, 118 Stat. 2842; Pub. L. 110-234, title XI, §11009(a), (b)(1), May 22, 2008, 122 Stat. 1359; Pub. L. 110-246, §4(a), title XI, §11009(a), (b)(1), June 18, 2008, 122 Stat. 1664, 2120, 2121; Pub. L. 113-79, title XII, §12102(b)(1), Feb. 7, 2014, 128 Stat. 979, was renumbered section 210 of act Aug. 14, 1946, ch. 966, by Pub. L. 113-79, title XII, §12102(b)(2), (3), Feb. 7, 2014, 128 Stat. 979, and transferred to section 1627b of this title.

§ 2008k. Making and servicing of loans by personnel of State, county, or area committees

The Secretary shall use personnel of a State, county or area committee established under section 590h(b)(5) of title 16 to make and service loans under this chapter to the extent the personnel have been trained to do so.

(Pub. L. 87-128, title III, §376, as added Pub. L. 107-171, title V, §5320, May 13, 2002, 116 Stat. 349.)

Editorial Notes

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