

107TH CONGRESS
1ST SESSION

H. R. 2653

To amend the Consolidated Farm and Rural Development Act to improve the agricultural credit programs of the Department of Agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2001

Mrs. CLAYTON (for herself, Mr. TOWNS, Mr. THOMPSON of Mississippi, Mr. BISHOP, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MEEK of Florida, Ms. KILPATRICK, Ms. KAPTUR, Mrs. JONES of Ohio, Mr. DAVIS of Illinois, Ms. CARSON of Indiana, Ms. DELAURO, Mr. POMEROY, Ms. BROWN of Florida, Mr. CLYBURN, Mr. CONYERS, Mr. FATTAH, Ms. LEE, Mr. LEWIS of Georgia, Ms. MCKINNEY, Ms. MILLENDER-McDONALD, Mr. MEEKS of New York, Ms. NORTON, Mr. OWENS, Mr. PAYNE, Mr. WATT of North Carolina, Mr. WYNN, Mr. CLAY, Mr. FARR of California, Mr. SCOTT, Mr. RUSH, Mrs. THURMAN, Mr. ETHERIDGE, Mr. JEFFERSON, Mr. RANGEL, Mr. FORD, Mr. CUMMINGS, Mr. JACKSON of Illinois, Mr. PRICE of North Carolina, Mr. HASTINGS of Florida, and Ms. JACKSON-LEE of Texas) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Consolidated Farm and Rural Development Act to improve the agricultural credit programs of the Department of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Agricultural Credit Act
3 of 2001”.

4 **SEC. 2. DEFINITION OF DEBT FORGIVENESS.**

5 Section 343(a)(12)(B) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is
7 amended to read as follows:

8 “(B) EXCEPTIONS.—The term ‘debt for-
9 giveness’ does not include—

10 “(i) consolidation, rescheduling, re-
11 amortization, or deferral of a loan;

12 “(ii) a write-down during the lifetime
13 of the borrower that is due to a financial
14 problem of the borrower relating to a nat-
15 ural disaster or a medical condition of the
16 borrower or an immediate family member
17 of the borrower (or, in the case of a bor-
18 rower that is an entity, a principal owner
19 of the borrower or an immediate family
20 member of such an owner); or

21 “(iii) any write-down provided as a
22 part of a resolution of a discrimination
23 complaint against the Secretary.”.

1 **SEC. 3. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**
2 **DEBT FORGIVENESS.**

3 Section 373(b) of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 2008h(b)) is amended to read
5 as follows:

6 “(b) **LOANS PROHIBITED FOR CERTAIN BORROWERS**
7 **WHO HAVE RECEIVED DEBT FORGIVENESS.**—

8 “(1) **IN GENERAL.**—Except as provided in para-
9 graph (2), the Secretary may not make or guarantee
10 a loan under subtitle A or B to a borrower who, on
11 more than 2 occasions, received debt forgiveness on
12 a loan made or guaranteed under this title.

13 “(2) **EXCEPTIONS.**—The Secretary may make a
14 direct or guaranteed farm operating loan for paying
15 annual farm or ranch operating expenses of a bor-
16 rower who—

17 “(A) was restructured with a write-down
18 under section 353; or

19 “(B) is current on payments under a con-
20 firmed reorganization plan under chapter 11,
21 12, or 13 of title 11, United States Code.”.

22 **SEC. 4. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY**
23 **DISADVANTAGED FARMERS AND RANCHERS.**

24 Section 355(c)(2) of the Consolidated Farm and
25 Rural Development Act (7 U.S.C. 2003(c)(2)) is amended
26 by striking “shall be reallocated within such State” and

1 inserting “in the first 10 months of the fiscal year may
2 be pooled and reated for use of socially disadvantaged
3 farmers and ranchers in other States as determined by
4 the Secretary, in excess of the funds otherwise allocated
5 in accordance with this section”.

6 **SEC. 5. EXCEPTION TO TERM LIMITS ON OPERATING**
7 **LOANS ONLY FOR DISASTERS OR EMER-**
8 **GENCIES.**

9 (a) DIRECT OPERATING LOANS.—Section 311(c) of
10 the Consolidated Farm and Rural Development Act (7
11 U.S.C. 1941(c)) is amended—

12 (1) in paragraph (1)—

13 (A) by striking “Subject to paragraph (3),
14 the” and inserting “The”;

15 (B) in subparagraph (B), by striking “or”;

16 (C) in subparagraph (C), by striking the
17 period and inserting “; or”; and

18 (D) by adding at the end the following:

19 “(D) is operating in an area which, during
20 the previous or current crop year—

21 “(i) the Secretary finds has been af-
22 fected by a natural disaster in the United
23 States or by a major disaster or emergency
24 designated by the President under the Dis-

1 aster Relief and Emergency Assistance
2 Act; or

3 “(ii) has suffered from an economic
4 emergency, as determined by the Sec-
5 retary.”; and

6 (2) by striking paragraph (3).

7 (b) GUARANTEED OPERATING LOANS.—Section
8 319(b)(2) of such Act (7 U.S.C. 1949(b)(2)) is amended
9 to read as follows:

10 “(2) DISASTERS AND EMERGENCIES.—A farmer
11 or rancher shall be eligible to receive a guaranteed
12 operating loan under this subtitle if the borrower is
13 operating in an area which, during the preceding or
14 current crop year—

15 “(A) the Secretary finds has been affected
16 by a natural disaster in the United States or by
17 a major disaster or emergency designated by
18 the President under the Disaster Relief and
19 Emergency Assistance Act; or

20 “(B) has suffered from an economic emer-
21 gency, as determined by the Secretary.”.

22 **SEC. 6. PERCENTAGE OF RECAPTURE FOR SHARED APPRE-**
23 **CIATION ARRANGEMENT.**

24 (a) IN GENERAL.—Section 353(e)(3) of the Consoli-
25 dated Farm and Rural Development Act (7 U.S.C.

1 2001(e)(3)) is amended by striking “, and 50” and insert-
2 ing “, 50 percent if the recapture occurs after 4 years
3 and within 8 years after the restructuring, and 35”.

4 (b) APPLICABILITY.—The amendment made by sub-
5 section (a) shall apply to shared appreciation arrange-
6 ments with respect to which recapture has not occurred,
7 regardless of whether the arrangements were entered into
8 before, on, or after the date of the enactment of this Act.

9 **SEC. 7. TECHNICAL CORRECTION.**

10 Section 353 of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 2001) is amended—

12 (1) by striking subsection (m); and

13 (2) by redesignating subsections (n) and (o) as
14 subsections (m) and (n), respectively.

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