

116TH CONGRESS
2D SESSION

H. R. 8042

To provide for agricultural economic injury disaster loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 2020

Mrs. HAYES (for herself and Mr. DELGADO) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for agricultural economic injury disaster loans,
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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helping America’s
5 Farmers Act”.

6 **SEC. 2. AGRICULTURAL ECONOMIC INJURY DISASTER**

7 **LOAN.**

8 (a) DEFINITIONS.—In this section:

1 (1) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means—

3 (A) a producer—

4 (i) of horticulture, nursery crops, flo-
5 riculture, non-specialty crops, wool, live-
6 stock, dairy, aquaculture, or specialty
7 crops; or

8 (ii) engaged in the production of food
9 and fiber; or

10 (B) a farmer or rancher.

11 (2) LARGE ELIGIBLE ENTITY.—The term
12 “large eligible entity” means an eligible entity with
13 an adjusted gross income of greater than \$500,000.

14 (3) SECRETARY.—The term “Secretary” means
15 the Secretary of Agriculture, acting through the Ad-
16 ministrators of the Farm Service Agency.

17 (4) SMALL ELIGIBLE ENTITY.—The term
18 “small eligible entity” means an eligible entity with
19 an adjusted gross income of less than or equal to
20 \$500,000.

21 (b) AGRICULTURAL ECONOMIC INJURY DISASTER
22 LOAN PROGRAM.—

23 (1) IN GENERAL.—The Secretary shall carry
24 out a program to make loans under this subsection

1 to small eligible entities for the purposes described
2 in paragraph (3).

3 (2) TERMS OF LOANS.—

4 (A) AMOUNT OF LOAN.—In carrying out
5 this subsection, the Secretary shall make loans
6 to small eligible entities in an amount less than
7 or equal to \$2,000,000.

8 (B) INTEREST RATE.—A loan under sub-
9 paragraph (A) shall have an interest rate equal
10 to zero percent.

11 (C) REPAYMENT.—The Secretary shall es-
12 tablish the repayment terms with respect to
13 each loan to a small eligible entity under this
14 subsection, except that such repayment may
15 not—

16 (i) begin before the date that is 1 year
17 after the date on which such loan is made
18 to such small eligible entity; and

19 (ii) be for a period of less than 10
20 years or a period of greater than 15 years;
21 and

22 (D) WAIVER OF CERTAIN REQUIRE-
23 MENTS.—With respect to a loan made under
24 this subsection in response to an economic dis-
25 aster, the Secretary shall waive—

1 (i) any rules related the personal
2 guarantee on advances and loans of not
3 more than \$200,000 for all applicants;

4 (ii) any requirement that the small el-
5 ible entity exhaust other loan options be-
6 fore applying for a loan under this sub-
7 section; and

8 (iii) any requirement that an appli-
9 cant needs to be in business for the 1-year
10 period before the disaster, except that no
11 waiver may be made for a business that
12 was not in operation on January 31, 2020.

13 (E) PRIORITY.—In making loans under
14 this subsection the Secretary shall give priority
15 to—

16 (i) small eligible entities located in
17 States most impacted by an economic dis-
18 aster, as determined by the Secretary;

19 (ii) minority, veteran, and women
20 farmers and ranchers; and

21 (iii) such other small eligible entities
22 as the Secretary determines appropriate.

23 (3) USE OF FUNDS.—A small eligible entity
24 that receives a loan under this subsection shall use
25 the loan funds to—

1 (A) provide paid sick leave to employees
2 unable to work due to the direct effect of an
3 economic disaster;

4 (B) maintain payroll to retain employees
5 during business disruptions or substantial slow-
6 downs;

7 (C) meet increased costs to obtain mate-
8 rials unavailable from the applicant's original
9 source due to interrupted supply chains;

10 (D) make rent or mortgage payments;

11 (E) purchase personal protective equip-
12 ment; and

13 (F) repay obligations that cannot be met
14 due to revenue losses.

15 (4) FORGIVENESS.—A small eligible entity shall
16 be eligible for forgiveness of indebtedness on a loan
17 under this subsection in an amount determined by
18 the Secretary based on the losses of the small eligi-
19 ble entity—

20 (A) due to commodity price decreases dur-
21 ing an economic disaster; or

22 (B) revenue loss due to an economic dis-
23 aster, including from—

1 (i) canceled purchasing contracts or
2 agreements with schools, institutions, food
3 hubs, and restaurants;

4 (ii) loss of recurring deliveries of farm
5 products to schools, institutions, food hubs,
6 and restaurants; or

7 (iii) any other unexpected source dur-
8 ing such economic disaster.

9 (c) LOAN GUARANTEES.—The Secretary may guar-
10 antee a loan made by lenders approved by the Farm Serv-
11 ice Agency to large eligible entities if—

12 (1) such loan—

13 (A) is for the purposes described in sub-
14 section (b)(3);

15 (B) is in an amount greater than
16 \$2,000,000;

17 (C) has an interest rate equal to or less
18 than 1 percent; and

19 (D) has a repayment term that—

20 (i) begins after the date that is 1 year
21 after the date on which such loan is made
22 an eligible entity; and

23 (ii) is for a period of not less than 15
24 years and not greater than 20 years; and

1 (2) the lender making such loan offers forgive-
2 ness of indebtedness on such loan under such terms
3 as the Secretary determines are commensurate with
4 the loan forgiveness under subsection (b)(4).

5 (d) APPROVAL AND ABILITY TO REPAY FOR SMALL
6 DOLLAR LOANS.—With respect to a loan made under sub-
7 section (b) in response to an economic disaster, the Sec-
8 retary may—

9 (1) approve an applicant based solely on the
10 credit score of the applicant and shall not require an
11 applicant to submit a tax return or a tax return
12 transcript for such approval; or

13 (2) use alternative appropriate methods to de-
14 termine an applicant's ability to repay.

15 (e) EMERGENCY GRANT.—

16 (1) IN GENERAL.—An eligible entity that ap-
17 plies for a loan under subsection (b) or a loan guar-
18 antee under subsection (c) in response to an eco-
19 nomic disaster may request that the Secretary pro-
20 vide an advance that is, subject to paragraph (3), in
21 the amount requested by such applicant to such ap-
22 plicant within 3 days after the Secretary receives an
23 application from such applicant.

24 (2) VERIFICATION.—Before disbursing amounts
25 under this subsection, the Secretary shall verify that

1 the applicant is an eligible entity by accepting a self-
2 certification from the applicant under penalty of per-
3 jury pursuant to section 1746 of title 28 United
4 States Code.

5 (3) AMOUNT.—The amount of an advance pro-
6 vided under this subsection shall be not less than
7 \$20,000.

8 (4) USE OF FUNDS.—An advance provided
9 under this subsection may be used to address any al-
10 lowable purpose for a loan made under subsection
11 (b) or a loan guarantee made under subsection (c).

12 (5) REPAYMENT.—An applicant shall not be re-
13 quired to repay any amounts of an advance provided
14 under this subsection, even if subsequently denied a
15 loan under subsection (b) or a loan guarantee under
16 subsection (c).

17 (f) OTHER BENEFITS.—Receipt of a grant, loan, or
18 loan guarantee under this section shall not be construed
19 as to prohibit receipt of any Federal grant, loan, or other
20 aid.

21 (g) TAXABILITY.—For purposes of the Internal Rev-
22 enue Code of 1986—

23 (1) any amount which would be includible in
24 gross income of the eligible entity by reason of for-

1 givenness described in this paragraph shall be ex-
2 cluded from gross income; and

3 (2) any amount received under this section shall
4 be excluded from gross income.

5 (h) FUNDING.—There is hereby appropriated, out of
6 any amounts in the Treasury not otherwise appro-
7 priated—

8 (1) \$6,000,000,000, to remain available until
9 September 30, 2021, to make loans to small eligible
10 entities under this section;

11 (2) \$6,000,000,000, to remain available until
12 September 30, 2021, to make loan guarantees to
13 large eligible entities under this section;

14 (3) \$4,000,000,000, to remain available until
15 September 30, 2021, to make grants under sub-
16 section (e) to small eligible entities; and

17 (4) \$4,000,000,000, to remain available until
18 September 30, 2021, to make grants under sub-
19 section (e) to large eligible entities.

20 **SEC. 3. TRAINING FOR LOAN SERVICERS.**

21 There is hereby appropriated, out of any amounts in
22 the Treasury not otherwise appropriated, \$300,000,000,
23 to the Secretary of Agriculture to carry out a training pro-
24 gram to provide Farm Service Agency staff with appro-

- 1 private training relating to economic injury loan processing
- 2 and servicing under section 2.

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