

PRIOR PROVISIONS

A prior section 1993, Pub. L. 87-128, title III, §345, as added Pub. L. 94-68, §9, Aug. 5, 1975, 89 Stat. 382; amended Pub. L. 103-437, §4(a)(7), Nov. 2, 1994, 108 Stat. 4582, related to testimony by Secretary of Agriculture before congressional committees, prior to repeal by Pub. L. 104-127, title VII, §750, Apr. 4, 1996, 110 Stat. 1129.

EFFECTIVE DATE

Enactment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as a note under section 8701 of this title.

§ 1994. Maximum amounts for loans authorized; long-term cost projections

(a) Maximum aggregate principal amounts for loans authorized

Effective October 1, 1979, the aggregate principal amount of loans under the programs authorized under each subchapter of this chapter during each three-year period thereafter shall not exceed such amounts as may be authorized by law after August 4, 1978. There shall be two amounts so established for each of such programs and for any maximum levels provided in appropriation Acts for the programs authorized under this chapter, one against which direct and insured loans shall be charged and the other against which guaranteed loans shall be charged.¹

(b) Authorization for loans

(1) In general

The Secretary may make or guarantee loans under subchapters I and II from the Agricultural Credit Insurance Fund provided for in section 1929 of this title for not more than \$4,226,000,000 for each of fiscal years 2008 through 2018, of which, for each fiscal year—

(A) \$1,200,000,000 shall be for direct loans, of which—

(i) \$350,000,000 shall be for farm ownership loans under subchapter I; and

(ii) \$850,000,000 shall be for operating loans under subchapter II; and

(B) \$3,026,000,000 shall be for guaranteed loans, of which—

(i) \$1,000,000,000 shall be for guarantees of farm ownership loans under subchapter I; and

(ii) \$2,026,000,000 shall be for guarantees of operating loans under subchapter II.

(2) Beginning farmers and ranchers

(A) Direct loans

(i) Farm ownership loans

(I) In general

Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve an amount that is not less than 75 percent of the total amount for qualified beginning farmers and ranchers.

(II) Down payment loans; joint financing arrangements

Of the amounts reserved for a fiscal year under subclause (I), the Secretary

shall reserve an amount not less than $\frac{2}{3}$ of the amount for the down payment loan program under section 1935 of this title and joint financing arrangements under section 1927(a)(3)(D) of this title until April 1 of the fiscal year.

(ii) Operating loans

Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

(I) for each of fiscal years 1996 through 1998, 25 percent;

(II) for fiscal year 1999, 30 percent; and

(III) for each of fiscal years 2008 through 2018, an amount that is not less than 50 percent.

(iii) Funds reserved until September 1

Except as provided in clause (i)(II), funds reserved for qualified beginning farmers or ranchers under this subparagraph for a fiscal year shall be reserved only until September 1 of the fiscal year.

(B) Guaranteed loans

(i) Farm ownership loans

Of the amounts made available under paragraph (1) for guarantees of farm ownership loans, the Secretary shall reserve an amount that is not less than 40 percent of the total amount for qualified beginning farmers and ranchers.

(ii) Operating loans

Of the amounts made available under paragraph (1) for guarantees of operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

(iii) Funds reserved until April 1

Funds reserved for qualified beginning farmers or ranchers under this subparagraph for a fiscal year shall be reserved only until April 1 of the fiscal year.

(C) Reserved funds for all qualified beginning farmers and ranchers

If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 1922, 1935, or 1941 of this title, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

(3) Transfer for down payment loans

(A) In general

Notwithstanding subsection (a), subject to subparagraph (B)—

(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to provide direct farm ownership loans approved by the Secretary to qualified beginning farmers and ranchers under the down payment loan program established under section 1935 of this title, if sufficient direct farm ownership loan funds are not otherwise available; and

(ii) beginning on September 1 of each fiscal year, the Secretary shall use available

¹ So in original.

unsubsidized guaranteed farm operating loan funds to provide direct farm ownership loans approved by the Secretary to qualified beginning farmers and ranchers, if sufficient direct farm ownership loan funds are not otherwise available.

(B) Limitation

The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

(4) Transfer for credit sales of farm inventory property

(A) In general

Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available funds made available under subchapter III for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

(B) Supplemental appropriations

The transfer authority provided under subparagraph (A) shall not apply to any funds made available to the Secretary for any fiscal year under an Act making supplemental appropriations.

(C) Limitation

The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

(c) Development of long-term cost projections for loan program authorizations

The Secretary shall develop long-term cost projections for loan program authorizations required under subsection (a) of this section. Each such projection shall include analyses of (1) the long-term costs of the lending levels that the Secretary requests to be authorized under subsection (a) of this section and (2) the long-term costs for increases in lending levels beyond those requested to be authorized, based on increments of \$10,000,000 or such other levels as the Secretary deems appropriate. Long-term cost projections for the three-year period beginning with fiscal year 1983 and each three-year period thereafter shall be submitted to the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations at the time the requests for authorizations for those periods are submitted to Congress. Not later than fifteen days after October 13, 1980, the Secretary shall submit to such committees long-term cost projections covering authorized lending levels for the loan programs for fiscal years 1981 and 1982.

(d) Low-income, limited-resource borrowers

(1) Notwithstanding any other provision of law, not less than 25 per centum of the loans for farm ownership purposes under subchapter I of this chapter, and not less than 25 per centum of

the loans for farm operating purposes under subchapter II of this chapter, authorized to be insured, or made to be sold and insured, from the Agricultural Credit Insurance Fund during each fiscal year shall be for low-income, limited-resource borrowers.

(2) The Secretary shall provide notification to farm borrowers under this chapter, as soon as practicable after April 10, 1984, and in the normal course of loan making and loan servicing operations, of the provisions of this chapter relating to low-income, limited-resource borrowers and the procedures by which persons may apply for loans under the low-income, limited-resource borrower program.

(Pub. L. 87-128, title III, §346, as added Pub. L. 95-334, title I, §125, Aug. 4, 1978, 92 Stat. 428; amended Pub. L. 96-438, §4, Oct. 13, 1980, 94 Stat. 1876; Pub. L. 97-35, title I, §164, Aug. 13, 1981, 95 Stat. 379; Pub. L. 98-258, title VI, §607, Apr. 10, 1984, 98 Stat. 140; Pub. L. 99-198, title XIII, §1317, Dec. 23, 1985, 99 Stat. 1529; Pub. L. 101-508, title I, §1202(a), Nov. 5, 1990, 104 Stat. 1388-9; Pub. L. 101-624, title XXIII, §2388(i), Nov. 28, 1990, 104 Stat. 4053; Pub. L. 102-237, title VII, §§701(h)(1)(F), 702(i), Dec. 13, 1991, 105 Stat. 1880, 1881; Pub. L. 102-554, §20, Oct. 28, 1992, 106 Stat. 4159; Pub. L. 104-127, title VI, §641, Apr. 4, 1996, 110 Stat. 1098; Pub. L. 107-171, title V, §§5311, 5312, May 13, 2002, 116 Stat. 346, 347; Pub. L. 110-234, title V, §§5302(b), 5303, May 22, 2008, 122 Stat. 1152; Pub. L. 110-246, §4(a), title V, §§5302(b), 5303, June 18, 2008, 122 Stat. 1664, 1913, 1914; Pub. L. 113-79, title V, §§5304, 5305, Feb. 7, 2014, 128 Stat. 840.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in subs. (a) and (d)(2), see note set out under section 1921 of this title.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2014—Subsec. (b)(1). Pub. L. 113-79, §5304, substituted “2018” for “2012” in introductory provisions.

Subsec. (b)(2)(A)(ii)(III). Pub. L. 113-79, §5305, substituted “2018” for “2012” and struck out “of the total amount” before period at end.

2008—Subsec. (b)(1). Pub. L. 110-246, §5303(1), substituted “\$4,226,000,000 for each of fiscal years 2008 through 2012” for “\$3,796,000,000 for each of fiscal years 2003 through 2007” in introductory provisions.

Subsec. (b)(1)(A). Pub. L. 110-246, §5303(2), in introductory provisions, substituted “\$1,200,000,000” for “\$770,000,000”, in cl. (i), substituted “\$350,000,000” for “\$205,000,000”, and, in cl. (ii), substituted “\$850,000,000” for “\$565,000,000”.

Subsec. (b)(2)(A)(i). Pub. L. 110-246, §5302(b)(1)(A), in subcl. (I), substituted “an amount that is not less than 75 percent of the total amount” for “70 percent” and, in subcl. (II), inserted “; joint financing arrangements” at end of heading and, in text, substituted “an amount not less than ⅓ of the amount” for “60 percent” and inserted “and joint financing arrangements under section 1927(a)(3)(D) of this title” after “section 1935 of this title”.

Subsec. (b)(2)(A)(ii)(III). Pub. L. 110-246, §5302(b)(1)(B), substituted “2008 through 2012, an amount that is not less than 50 percent of the total amount” for “2003 through 2007, 35 percent”.

Subsec. (b)(2)(B)(i). Pub. L. 110-246, §5302(b)(2), substituted “an amount that is not less than 40 percent of the total amount” for “25 percent”.

2002—Subsec. (b)(1). Pub. L. 107-171, §5311, reenacted heading without change and amended text generally. Prior to amendment, text related to guaranteed loans under subchapters I and II of this chapter from the Agricultural Credit Insurance Fund provided for in section 1929 of this title for fiscal years 1996 to 2002.

Subsec. (b)(2)(A)(ii)(III). Pub. L. 107-171, §5312, substituted “2003 through 2007” for “2000 through 2002”.

1996—Subsec. (a). Pub. L. 104-127, §641(1), in second sentence, struck out “with or without authority for the Secretary to transfer amounts between such categories within a given program for more effective administration” before period at end.

Subsec. (b). Pub. L. 104-127, §641(2), added subsec. (b) and struck out former subsec. (b), which set forth maximum amounts for direct and guaranteed loans under the Agricultural Credit Insurance Fund for fiscal years 1991 to 1995.

1992—Subsec. (b)(2). Pub. L. 102-554, §20(b), inserted sentence at end.

Subsec. (b)(3)(D) to (G). Pub. L. 102-554, §20(c), (d), added subpars. (D) to (G).

Subsec. (b)(5), (6). Pub. L. 102-554, §20(a), (e), added pars. (5) and (6).

1991—Subsec. (b). Pub. L. 102-237, §702(i), repealed Pub. L. 101-624, §2388(i). See 1990 Amendment note below.

Subsec. (b)(3)(C). Pub. L. 102-237, §701(h)(1)(F), substituted “this chapter” for “this Act” in two places.

1990—Subsec. (b). Pub. L. 101-624, §2388(i), which amended subsec. (b), in par. (1)(B), by striking “subparagraph (C)” and inserting “paragraph (3)”; in par. (1)(C), by striking “subparagraph (A)” and inserting “paragraph (1)”; by redesignating pars. (1)(A), (B), (C), (D)(i), and (E) as (1), (2), (3), (4), and (5), respectively; in par. (2), by redesignating cls. (i), (ii), and (iii) as subpars. (A), (B), and (C), respectively; in subpars. (A) to (C) of par. (2), by redesignating subcls. (I) and (II) as cls. (i) and (ii), respectively; and in par. (5), by redesignating cls. (i), (ii), and (iii) as subpars. (A), (B), and (C), respectively, was repealed by Pub. L. 102-237, §702(i). See Construction of 1990 Amendment note below.

Pub. L. 101-508, §1202(a), amended subsec. (b) generally, substituting present provisions for provisions relating to maximum amounts for loans under the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund for fiscal years 1986 through 1988.

1985—Subsec. (b). Pub. L. 99-198, §1317(a), amended subsec. (b) generally, substituting provisions setting maximum amounts for loans under the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund for each of fiscal years ending September 30, 1986, through September 30, 1988, for provisions setting such amounts for each of fiscal years 1980, 1981, and 1982.

Subsecs. (d), (e). Pub. L. 99-198, §1317, struck out subsec. (d) which authorized special amounts for fiscal year 1982, redesignated subsec. (e) as (d), and in par. (1) substituted “25 per centum” for “20 per centum” wherever appearing and “each fiscal year” for “fiscal year 1984”.

1984—Subsec. (e). Pub. L. 98-258 added subsec. (e).

1981—Subsec. (d). Pub. L. 97-35 added subsec. (d).

1980—Pub. L. 96-438 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by section 701(h)(1)(F) of Pub. L. 102-237 to any provision specified therein effective as if in-

cluded in act that added provision so specified at the time such act became law, and amendment by section 702(i) of Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(7), (c) of Pub. L. 102-237, set out as a note under section 1421 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-508 effective Nov. 29, 1990, see section 1301 of Pub. L. 101-508, set out as an Effective Date note under section 940d of this title.

CONSTRUCTION OF 1990 AMENDMENT

Pub. L. 102-237, title VII, §702(i), Dec. 13, 1991, 105 Stat. 1881, provided that: “Subsection (i) of section 2388 of the Food, Agriculture, Conservation, and Trade Act of 1990 (104 Stat. 4053) [Pub. L. 101-624, amending this section] is hereby repealed and the Consolidated Farm and Rural Development Act [title III of Pub. L. 87-128, see Short Title note set out under section 1921 of this title] shall be applied and administered as if the amendments made by such subsection had never been enacted.”

NULLIFICATION OF RESERVATION OF FUNDS DURING FISCAL YEAR 1999 FOR GUARANTEED LOANS FOR QUALIFIED BEGINNING FARMERS AND RANCHERS

Pub. L. 106-2, §1, Mar. 15, 1999, 113 Stat. 5, provided that: “Amounts shall be made available pursuant to section 346(b)(1)(D) of the Consolidated Farm and Rural Development Act [7 U.S.C. 1994(b)(1)(D)] for guaranteed loans, without regard to any reservation under section 346(b)(2)(B) of such Act.”

§ 1995. Participation and financial and technical assistance by other Federal departments, etc., to program participants

Notwithstanding any other provision of law, other departments, agencies, and executive establishments of the Federal Government may participate and provide financial and technical assistance jointly with the Secretary to any applicant to whom assistance is being provided under any program administered by the Farmers Home Administration. Participation by any other department, agency, or executive establishment shall be only to the extent authorized for, and subject to the authorities of, such other department, agency, or executive establishment, except that any limitation on joint participation is superseded by this section.

(Pub. L. 87-128, title III, §347, as added Pub. L. 95-334, title I, §125, Aug. 4, 1978, 92 Stat. 429.)

§ 1996. Loans to resident aliens

Notwithstanding the provisions of this chapter limiting the making and insuring of loans to citizens of the United States, the Secretary may make and insure loans under this chapter to aliens lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act [8 U.S.C. 1101 et seq.]: *Provided*, That no loans may be made or insured under this chapter to such aliens until the Secretary issues regulations establishing the terms and conditions under which such aliens may receive loans: *Provided further*, That the Secretary shall submit the regulations to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least thirty days prior to the date the regulations are published in the Federal Register.