

sistance 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.)

REFERENCES IN TEXT

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

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, §5316, 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 of a borrower in meeting the goals for the farm or ranch operation.

**(2) Contracts**

The Secretary may contract with an entity that is eligible to provide borrower training under section 2006a(b) of this title to conduct loan reviews under paragraph (1).

**(3) Problem assessments**

If a borrower is delinquent in payments on a direct or guaranteed loan made under this chapter, the Secretary or the contracting entity shall determine the cause of, and action necessary to correct, the delinquency.

**(e) Guidelines**

The Secretary shall issue regulations providing guidelines for loan assessments conducted under this section.

(Pub. L. 87-128, title III, §360, as added Pub. L. 101-624, title XVIII, §1819, Nov. 28, 1990, 104 Stat. 3830; amended Pub. L. 107-171, title V, §§5317, 5318, May 13, 2002, 116 Stat. 348.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in subssecs. (a), (b)(5), and (d)(1), (3), see note set out under section 1921 of this title.

AMENDMENTS

2002—Subsec. (a). Pub. L. 107-171, §5317, substituted “The Secretary” for “After an applicant is determined eligible for assistance under this chapter by the appropriate county committee established pursuant to section 1982 of this title, the Secretary”.

Subsec. (d)(1). Pub. L. 107-171, §5318, substituted “annual review” for “biannual review”.

**§ 2006c. Supervised credit**

The Secretary shall provide adequate training to employees of the Farmers Home Administration on credit analysis and financial and farm management to—

(1) better acquaint the employees with what constitutes adequate financial data on which to base a direct or guaranteed loan approval decision; and

(2) ensure proper supervision of farmer program loans.

(Pub. L. 87-128, title III, §361, as added Pub. L. 101-624, title XVIII, §1820, Nov. 28, 1990, 104 Stat. 3830.)

**§ 2006d. Market placement**

The Secretary shall establish a market placement program for qualified beginning farmers and ranchers and other borrowers of farmer program loans that the Secretary believes have a reasonable chance of qualifying for commercial credit with a guarantee provided under this chapter.

(Pub. L. 87-128, title III, §362, as added Pub. L. 101-624, title XVIII, §1821, Nov. 28, 1990, 104 Stat. 3831.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

**§ 2006e. Prohibition on use of loans for certain purposes**

The Secretary shall not approve any loan under this chapter to drain, dredge, fill, level, or otherwise manipulate a wetland (as defined in section 3801(a)(16)<sup>1</sup> of title 16), or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water, except in the case of activity related to the maintenance of previously converted wetlands, or in the case of such activity that is already commenced before November 28, 1990. This section shall not apply to a loan made or guaranteed under this chapter for a utility line.

(Pub. L. 87-128, title III, §363, as added Pub. L. 101-624, title XVIII, §1824, Nov. 28, 1990, 104 Stat. 3831; amended Pub. L. 102-237, title V, §501(i), Dec. 13, 1991, 105 Stat. 1868; Pub. L. 104-127, title VII, §751, Apr. 4, 1996, 110 Stat. 1129.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

Section 3801(a) of title 16, referred to in text, was subsequently amended, and section 3801(a)(16) no longer defines the term “wetland”. However, such term is defined elsewhere in that section.

AMENDMENTS

1996—Pub. L. 104-127 inserted at end “This section shall not apply to a loan made or guaranteed under this chapter for a utility line.”

1991—Pub. L. 102-237 inserted a closing parenthesis after “3801(a)(16) of title 16” and substituted “before November 28, 1990” for “prior to the date of enactment of this section”.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by 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)(3) of Pub. L. 102-237, set out as a note under section 1421 of this title.

<sup>1</sup> See References in Text note below.

**§ 2006f. Rural development certified lenders program**

**(a) Certified lenders program**

**(1) In general**

The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

**(2) Certification requirements**

The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

**(3) Condition of certification**

As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

**(4) Guarantee**

Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

**(5) Certifications**

With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary)—

(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

**(6) Relationship to other requirements**

This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

**(b) Preferred certified lenders program**

**(1) In general**

The Secretary may establish a preferred certified lenders program for lenders who establish their—

(A) knowledge of, and experience under, the program established under subsection (a);

(B) knowledge of the regulations concerning the particular guaranteed loan program; and

(C) proficiency related to the certified lender program requirements.

**(2) Additional lending institutions**

The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.