

rower 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

This chapter, referred to in subsecs. (a), (b)(5), and (d)(1), (3), 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.

#### 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

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.

### § 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.

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