

entity described in subsection (b), if the eligible entity is—

- (1) current on all principal and interest payments; and
- (2) in compliance with loan covenants.

(h) Regulations

The Secretary shall promulgate regulations and establish procedures reducing the administrative requirements on eligible entities described in subsection (b), including regulations to carry out the amendments made to this section by the Agriculture Improvement Act of 2018.

(i) Authorization of appropriations

There is authorized to be appropriated to carry out this subsection \$25,000,000 for each of fiscal years 2014 through 2023.

(Pub. L. 87-128, title III, §310H, as added Pub. L. 113-79, title VI, §6017(a), Feb. 7, 2014, 128 Stat. 845; amended Pub. L. 115-334, title VI, §6416, Dec. 20, 2018, 132 Stat. 4762.)

Editorial Notes

REFERENCES IN TEXT

The amendments made to this section by the Agriculture Improvement Act of 2018, referred to in subsec. (h), means the amendments made to this section by Pub. L. 115-334.

AMENDMENTS

2018—Subsecs. (e) to (h). Pub. L. 115-334, §6416(2), added subsecs. (e) to (h). Former subsec. (e) redesignated (i).

Subsec. (i). Pub. L. 115-334, §6416(1), (3), redesignated subsec. (e) as (i) and substituted “2023” for “2018”.

§ 1936c. Relending program to resolve ownership and succession on farmland

(a) In general

The Secretary may make loans to eligible entities described in subsection (b) so that the eligible entities may relend the funds to individuals and entities for the purposes described in subsection (c).

(b) Eligible entities

Entities eligible for loans described in subsection (a) are cooperatives, credit unions, and nonprofit organizations with—

- (1) certification under section 1805.201 of title 12, Code of Federal Regulations (or successor regulations), to operate as a lender;
- (2) experience assisting socially disadvantaged farmers and ranchers (as defined in subsection (a) of section 2279 of this title) or limited resource or new and beginning farmers and ranchers, rural businesses, cooperatives, or credit unions, including experience in making and servicing agricultural and commercial loans; and
- (3) the ability to provide adequate assurance of the repayment of a loan.

(c) Eligible purposes

The proceeds from loans made by the Secretary pursuant to subsection (a) shall be re-lent by eligible entities for projects that assist heirs with undivided ownership interests to resolve ownership and succession on farmland that has multiple owners.

(d) Preference

In making loans under subsection (a), the Secretary shall give preference to eligible entities—

- (1) with not less than 10 years of experience serving socially disadvantaged farmers and ranchers; and

- (2) in States that have adopted a statute consisting of an enactment or adoption of the Uniform Partition of Heirs Property Act, as approved and recommended for enactment in all States by the National Conference of Commissioners on Uniform State Laws in 2010, that relend to owners of heirs property (as defined in that Act).

(e) Loan terms and conditions

The following terms and conditions shall apply to loans made under this section:

- (1) The interest rate at which intermediaries may borrow funds under this section shall be determined by the Secretary.

- (2) The rates, terms, and payment structure for borrowers to which intermediaries lend shall be—

- (A) determined by the intermediary in an amount sufficient to cover the cost of operating and sustaining the revolving loan fund; and
- (B) clearly and publicly disclosed to qualified ultimate borrowers.

- (3) Borrowers to which intermediaries lend shall be—

- (A) required to complete a succession plan as a condition of the loan; and

- (B) be offered the opportunity to borrow sufficient funds to cover costs associated with the succession plan under subparagraph (A) and other associated legal and closing costs.

(f) Report

Not later than 1 year after December 20, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the operation and outcomes of the program under this section, with recommendations on how to strengthen the program.

(g) Authorization of appropriations

There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2019 through 2023.

(Pub. L. 87-128, title III, §310I, as added Pub. L. 115-334, title V, §5104, Dec. 20, 2018, 132 Stat. 4669.)

SUBCHAPTER II—OPERATING LOANS

§ 1941. Persons eligible for loans

(a) In general

(1) Eligibility requirements

The Secretary may make and insure loans under this subchapter to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities as the Secretary considers appropriate, that are