

112TH CONGRESS
1ST SESSION

S. 1592

To amend the Consolidated Farm and Rural Development Act to expand eligibility for Farm Service Agency loans.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2011

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Consolidated Farm and Rural Development Act to expand eligibility for Farm Service Agency loans.

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 “Agricultural Credit Ex-
5 pansion Act”.

6 **SEC. 2. ELIGIBILITY FOR FARM LOANS.**

7 (a) FARM OWNERSHIP LOANS.—Section 302(a) of
8 the Consolidated Farm and Rural Development Act (7
9 U.S.C. 1922(a)) is amended—

1 (1) by striking “(a) IN GENERAL.—The” and
2 inserting the following:

3 “(a) IN GENERAL.—

4 “(1) ELIGIBILITY REQUIREMENTS.—The”;

5 (2) in paragraph (1) (as designated by para-
6 graph (1))—

7 (A) in the first sentence, by striking “and
8 limited liability companies” and inserting “lim-
9 ited liability companies, and such other legal
10 entities that the Secretary determines to be ap-
11 propriate,”; and

12 (B) in the second sentence—

13 (i) by striking “and limited liability
14 companies” each place it appears and in-
15 serting “limited liability companies, and
16 such other legal entities that the Secretary
17 determines to be appropriate”;

18 (ii) by striking “(1)” and inserting
19 “(A)”;

20 (iii) by striking “(2)” and inserting
21 “(B)”;

22 (iv) by striking “(3)” and inserting
23 “(C)”;

24 (v) by striking “(4)” and inserting
25 “(D)”;

1 (3) in the third sentence—

2 (A) by striking “and limited liability com-
3 panies” each place it appears and inserting
4 “limited liability companies, and such other
5 legal entities that the Secretary determines to
6 be appropriate”;

7 (B) by striking “(3)” and inserting “(C)”;
8 and

9 (C) by striking “(4)” and inserting “(D)”;
10 and

11 (4) by adding at the end the following:

12 “(2) SPECIAL RULES REGARDING DETERMINA-
13 TIONS.—

14 “(A) ELIGIBILITY OF CERTAIN OPER-
15 ATING-ONLY ENTITIES.—An entity that is, or
16 will become, only the operator of a family farm
17 shall be determined by the Secretary to meet
18 each owner-operator requirement described in
19 paragraph (1) if the 1 or more individuals who
20 are the owners of the family farm own—

21 “(i) a percentage of the family farm
22 that exceeds 50 percent; or

23 “(ii) such other percentage that the
24 Secretary determines to be appropriate.

1 “(B) ELIGIBILITY OF CERTAIN EMBEDDED
 2 ENTITIES.—An entity that is an owner-operator
 3 described in paragraph (1), or an operator de-
 4 scribed in subparagraph (A), that is owned, in
 5 whole or in part, by 1 or more other entities,
 6 shall be determined by the Secretary to meet
 7 the direct ownership requirement described in
 8 paragraph (1) if not less than 75 percent of the
 9 ownership interests of each embedded entity of
 10 the entity is owned directly or indirectly by the
 11 1 or more individuals who own the family
 12 farm.”.

13 (b) CONSERVATION LOANS.—Section 304(c)(1) of
 14 the Consolidated Farm and Rural Development Act (7
 15 U.S.C. 1924(c)(1)) is amended by striking “or limited li-
 16 ability companies” and inserting “limited liability compa-
 17 nies, or such other legal entities that the Secretary deter-
 18 mines to be appropriate,”.

19 (c) FARM OPERATING LOANS.—Section 311(a) of the
 20 Consolidated Farm and Rural Development Act (7 U.S.C.
 21 1941(a)) is amended—

22 (1) by striking “(a) IN GENERAL.—The” and
 23 inserting the following:

24 “(a) IN GENERAL.—

25 “(1) ELIGIBILITY REQUIREMENTS.—The”;

1 (2) in paragraph (1) (as designated by para-
2 graph (1))—

3 (A) in the first sentence, by striking “and
4 limited liability companies” and inserting “lim-
5 ited liability companies, and such other legal
6 entities that the Secretary determines to be ap-
7 propriate,”; and

8 (B) in the second sentence—

9 (i) by striking “and limited liability
10 companies” each place it appears and in-
11 sserting “limited liability companies, and
12 such other legal entities that the Secretary
13 determines to be appropriate”;

14 (ii) by striking “(1)” and inserting
15 “(A)”;

16 (iii) by striking “(2)” and inserting
17 “(B)”;

18 (iv) by striking “(3)” and inserting
19 “(C)”;

20 (v) by striking “(4)” and inserting
21 “(D)”;

22 (3) in the third sentence—

23 (A) by striking “and limited liability com-
24 panies” each place it appears and inserting
25 “limited liability companies, and such other

1 legal entities that the Secretary determines to
2 be appropriate”;

3 (B) by striking “(3)” and inserting “(C)”;

4 and

5 (C) by striking “(4)” and inserting “(D)”;

6 and

7 (4) by adding at the end the following:

8 “(2) SPECIAL RULES REGARDING DETERMINA-
9 TIONS.—An entity that is an operator described in
10 paragraph (1) that is owned, in whole or in part, by
11 1 or more other entities, shall be determined by the
12 Secretary to meet the direct ownership requirement
13 described in paragraph (1) if not less than 75 per-
14 cent of the ownership interests of each embedded en-
15 tity of the entity is owned directly or indirectly by
16 the 1 or more individuals who own the family
17 farm.”.

18 (d) EMERGENCY LOANS.—Section 321(a) of the Con-
19 solidated Farm and Rural Development Act (7 U.S.C.
20 1961(a)) is amended—

21 (1) in the first sentence, in the matter pre-
22 ceding the proviso—

23 (A) by striking “owner-operators (in the
24 case of loans for a purpose under subtitle A) or
25 operators (in the case of loans for a purpose

1 under subtitle B)” each place it appears and in-
2 serting “(in the case of farm ownership loans in
3 accordance with subtitle A) owner-operators or
4 operators, or (in the case of loans for a purpose
5 under subtitle B) operators”;

6 (B) by striking “or limited liability compa-
7 nies” the first place it appears and inserting
8 “limited liability companies, or such other legal
9 entities that the Secretary determines to be ap-
10 propriate”; and

11 (C) by striking “or limited liability compa-
12 nies” the second place it appears and inserting
13 “limited liability companies, or such other legal
14 entities”;

15 (2) in the second sentence of the proviso—

16 (A) by striking “and limited liability com-
17 panies” and inserting “limited liability compa-
18 nies, and such other legal entities”; and

19 (B) by striking “ownership and operator”
20 and inserting “ownership or operator”; and

21 (3) by adding at the end the following: “An en-
22 tity that is an owner-operator or operator described
23 in this subsection shall be determined by the Sec-
24 retary to meet the direct ownership requirement de-
25 scribed in this subsection if the entity is owned, in

1 whole or in part, by 1 or more other entities and
2 each individual who is an owner of the family farm
3 involved has a direct or indirect ownership interest
4 in each of the other entities.”.

5 (e) CONFORMING AMENDMENTS.—

6 (1) Section 304(c)(2) of the Consolidated Farm
7 and Rural Development Act (7 U.S.C. 1924(c)(2)) is
8 amended by striking “paragraphs (1) and (2) of sec-
9 tion 302(a)” and inserting “clauses (A) and (B) of
10 section 302(a)(1)”.

11 (2) Section 310D(a) of the Consolidated Farm
12 and Rural Development Act (7 U.S.C. 1934(a)) is
13 amended—

14 (A) in the first sentence, by striking
15 “paragraphs (2) through (4) of section 302”
16 and inserting “clauses (B) through (D) of sec-
17 tion 302(a)(1)”;

18 (B) in the second sentence—

19 (i) by striking “farm cooperative or
20 private domestic corporation or partner-
21 ship” and inserting “farm cooperative, pri-
22 vate domestic corporation, partnership, or
23 such other legal entity that the Secretary
24 determines to be appropriate,”; and

1 (ii) by striking “or partners” and in-
2 serting “partners, or owners”.

3 (3) Section 343(a)(11) of the Consolidated
4 Farm and Rural Development Act (7 U.S.C.
5 1991(a)(11)) is amended—

6 (A) in subparagraph (C)—

7 (i) by striking “or joint operation”
8 and inserting “joint operation, or such
9 other legal entity that the Secretary deter-
10 mines to be appropriate”; and

11 (ii) by striking “or joint operators”
12 and inserting “joint operators, or owners”;
13 and

14 (B) in subparagraph (D)—

15 (i) in clause (i)(II)(aa)—

16 (I) by striking “or joint oper-
17 ation” and inserting “joint operation,
18 or such other legal entity”; and

19 (II) by striking “or joint opera-
20 tors” and inserting “joint operators,
21 or owners”; and

22 (ii) in clause (ii)(II)(aa)—

23 (I) by striking “or joint oper-
24 ation” and inserting “joint operation,
25 or such other legal entity”; and

1 (II) by striking “or joint opera-
2 tors” and inserting “joint operators,
3 or owners”.

4 (4) Section 359(c)(2) of the Consolidated Farm
5 and Rural Development Act (7 U.S.C. 2006a(c)(2))
6 is amended by striking “section 302(a)(2) or
7 311(a)(2)” and inserting “clause (B) of section
8 302(a)(1) or clause (B) of section 311(a)(1)”.

9 **SEC. 3. PURPOSES OF CERTAIN DIRECT LOANS.**

10 Section 303(a)(1) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1923(a)(1)) is amend-
12 ed—

13 (1) in subparagraph (D), by striking “or” at
14 the end;

15 (2) in subparagraph (E)(ii), by striking the pe-
16 riod at the end and inserting “; or”; and

17 (3) by adding at the end the following:

18 “(F) refinancing 1 or more loans made or
19 guaranteed under this subtitle.”.

20 **SEC. 4. REPEAL OF CERTAIN LOAN TERM LIMITS.**

21 (a) DIRECT LOANS.—Section 311 of the Consolidated
22 Farm and Rural Development Act (7 U.S.C. 1941) is
23 amended by striking subsection (e).

24 (b) LIMITATION ON PERIOD BORROWERS ARE ELIGI-
25 BLE FOR GUARANTEED ASSISTANCE.—Section 319 of the

1 Consolidated Farm and Rural Development Act (7 U.S.C.
2 1949) is amended—

- 3 (1) by striking “(a) GRADUATION PLAN.—The
4 Secretary” and inserting “The Secretary”; and
5 (2) by striking subsection (b).

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