

# 2008 Farm Bill Credit Title:

## Ensuring Access to Credit in Rural America

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- **Expands Credit Availability for Farmers and Ranchers**
  - Increases the farm ownership loan limit and the operating loan limit to \$300,000
- **Establishes a loan guarantee program to help farmers carry out conservation programs**
  - Prioritizes beginning and socially disadvantaged farmers or ranchers when making or guaranteeing loans for soil and water conservation and protection
- **Expands the Land Contract Pilot Program**
  - Extends the current 2-year limit on payment guarantees to 3 years
  - Provides land sellers the option of choosing either the 3 year guarantee or a standard 90% guarantee
  - Makes socially disadvantaged farmers and ranchers eligible for the program
- **Improves the Tribal Land Acquisition Loan Program**
  - Provides additional tools to help Native American producers keep tribal lands in agricultural production
  - Amends the current program to allow individual tribal members to utilize the program
- **Prioritizes Socially Disadvantaged and Beginning Farmers and Ranchers in Credit Programs**
  - Increases the amount of direct farm ownership loans, guaranteed farm ownership loans, direct farm ownership loans reserved for down payment and direct operating loans for beginning farmers and ranchers
  - Adjusts the Beginning Farmer and Rancher Down Payment Loan Program to better serve producers
    - Fixes the interest rate at 1.5%, or at 4% below the regular direct farm ownership loan interest rates, whichever is greater
    - Increases the maximum allowable sales price from \$250,000 to \$500,000
    - Reduces the borrower down payment requirement to not less than 5%
    - Changes the term of the loan from 15 years to 20 years
    - Makes socially disadvantaged farmers and ranchers eligible for the program
  - Prioritizes socially disadvantaged farmers and beginning farmers and ranchers whenever the Secretary of Agriculture sells or leases property
  - Extends the right of first refusal to reacquire a homestead property to members of the immediate family for socially disadvantaged borrowers/owners

### Farm Bill Credit Program Facts:

- The FSA currently limits maximum direct loans to \$200,000 per borrower.
- The Land Contract Pilot Program provides loan guarantees to sellers who self-finance the sale of land to beginning farmers and ranchers.