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1 **TITLE V—CREDIT**
2 **Subtitle A—Farm Ownership Loans**

3 **SEC. 5001. DIRECT LOANS.**

4 Section 302 of the Consolidated Farm and Rural De-
5 velopment Act (7 U.S.C. 1922) is amended—

6 (1) by striking the section designation and
7 heading and all that follows through “(a) The Sec-
8 retary is authorized to” and inserting the following:

9 **“SEC. 302. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.**

10 “(a) IN GENERAL.—The Secretary may”; and

11 (2) in subsection (a)(2), by inserting “, taking
12 into consideration all farming experience of the ap-
13 plicant, without regard to any lapse between farming
14 experiences” after “farming operations”.

15 **SEC. 5002. PURPOSES OF LOANS.**

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

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

21 (2) in subparagraph (E), by striking the period
22 at the end and inserting “; or”; and

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

24 “(F) refinancing guaranteed farm owner-
25 ship loans of qualified beginning farmers and

1 ranchers under this subtitle that were used to
2 carry out purposes described in subparagraphs
3 (A) through (E).”.

4 **SEC. 5003. SOIL AND WATER CONSERVATION AND PROTEC-**
5 **TION.**

6 Section 304 of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 1924) is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (4), by inserting “or con-
10 version to a certified organic farm in accord-
11 ance with the Organic Foods Production Act of
12 1990 (7 U.S.C. 6501 et seq.)” after “systems”;

13 (B) in paragraph (5), by striking “and” at
14 the end;

15 (C) by redesignating paragraph (6) as
16 paragraph (7); and

17 (D) by inserting after paragraph (5) the
18 following:

19 “(6) the implementation of 1 or more practices
20 under the environmental quality section of the com-
21 prehensive stewardship incentives program estab-
22 lished under subchapter A of chapter 6 of subtitle D
23 of title XII of the Food Security Act of 1985; and”;
24 and

1 (2) by striking subsections (b) and (c) and in-
2 serting the following:

3 “(b) PRIORITY.—In making or guaranteeing loans
4 under this section, the Secretary shall give priority to—

5 “(1) qualified beginning farmers or ranchers
6 and socially disadvantaged farmers or ranchers;

7 “(2) owners or tenants who use the loans to
8 convert to sustainable or organic agricultural pro-
9 duction systems;

10 “(3) producers who use the loans to build con-
11 servation structures or establish conservation prac-
12 tices to comply with section 1212 of the Food Secu-
13 rity Act of 1985 (16 U.S.C. 3812); and

14 “(4) producers who have a certification from
15 the Natural Resources Conservation Service issued
16 pursuant to section 1240B(d) of the Food Security
17 Act of 1985.”.

18 **SEC. 5004. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**

19 **LOANS.**

20 Section 305(a)(2) of the Consolidated Farm and
21 Rural Development Act (7 U.S.C. 1925(a)(2)) is amended
22 by striking “\$200,000” and inserting “\$300,000”.

23 **SEC. 5005. DOWN PAYMENT LOAN PROGRAM.**

24 Section 310E of the Consolidated Farm and Rural
25 Development Act (7 U.S.C. 1935) is amended—

1 (1) in subsection (a)(1), by inserting “and so-
2 cially disadvantaged farmers and ranchers” after
3 “ranchers”;

4 (2) in subsection (b)—

5 (A) by striking paragraph (1) and insert-
6 ing the following:

7 “(1) PRINCIPAL.—

8 “(A) PURCHASE PRICE OF \$500,000 OR
9 LESS.—Each loan made under this section for
10 a purchase price that is \$500,000 or less, shall
11 be in an amount that does not exceed 45 per-
12 cent of the lesser of—

13 “(i) the purchase price; or

14 “(ii) the appraised value of the farm
15 or ranch to be acquired.

16 “(B) PURCHASE PRICE GREATER THAN
17 \$500,000.—Each loan made under this section
18 for a purchase price that is greater than
19 \$500,000, shall be in an amount that does not
20 exceed 45 percent of the lesser of—

21 “(i) \$500,000; or

22 “(ii) the appraised value of the farm
23 or ranch to be acquired.”;

24 (B) by striking paragraph (2) and insert-
25 ing the following:

1 “(5) establish annual performance goals to pro-
2 mote the use of the down payment loan program and
3 other joint financing participation loans as the pre-
4 ferred choice for direct real estate loans made by
5 any lender to a qualified beginning farmer or ranch-
6 er or socially disadvantaged farmer or rancher.”.

7 **SEC. 5006. BEGINNING FARMER OR RANCHER CONTRACT**
8 **LAND SALES PROGRAM.**

9 Section 310F of the Consolidated Farm and Rural
10 Development Act (7 U.S.C. 1936) is amended to read as
11 follows:

12 **“SEC. 310F. BEGINNING FARMER OR RANCHER CONTRACT**
13 **LAND SALES PROGRAM.**

14 “(a) IN GENERAL.—Subject to subsection (c), the
15 Secretary shall, in accordance with each condition de-
16 scribed in subsection (b), provide a prompt payment guar-
17 antee for any loan made by a private seller of farmland
18 or ranch land to a qualified beginning farmer or rancher
19 on a contract land sale basis.

20 “(b) CONDITIONS FOR GUARANTEE.—To receive a
21 guarantee for a loan by the Secretary under subsection
22 (a)—

23 “(1) the qualified beginning farmer or rancher
24 shall—

1 “(A) on the date on which the contract
2 land sale that is the subject of the loan is com-
3 plete, own and operate the farmland or ranch
4 land that is the subject of the contract land
5 sale;

6 “(B) on the date on which the contract
7 land sale that is the subject of the loan is com-
8 menced—

9 “(i) have a credit history that—

10 “(I) includes a record of satisfac-
11 tory debt repayment, as determined
12 by the Secretary; and

13 “(II) is acceptable to the Sec-
14 retary; and

15 “(ii) demonstrate to the Secretary
16 that the qualified beginning farmer or
17 rancher is unable to obtain sufficient credit
18 without a guarantee to finance any actual
19 need of the qualified beginning farmer or
20 rancher at a reasonable rate or term;

21 “(2) the loan made by the private seller of
22 farmland or ranch land to the qualified beginning
23 farmer or rancher on a contract land sale basis shall
24 meet applicable underwriting criteria, as determined
25 by the Secretary; and

1 “(3) to carry out the loan—

2 “(A) a commercial lending institution shall
3 agree to serve as an escrow agent; or

4 “(B) the private seller of farmland or
5 ranch land, in cooperation with the qualified be-
6 ginning farmer or rancher, shall use an appro-
7 priate alternate arrangement, as determined by
8 the Secretary.

9 “(c) LIMITATIONS.—

10 “(1) DOWN PAYMENT.—The Secretary shall not
11 guarantee a loan made by a private seller of farm-
12 land or ranch land to a qualified beginning farmer
13 or rancher under subsection (a) if the contribution
14 of the qualified beginning farmer or rancher to the
15 down payment for the farmland or ranch land that
16 is the subject of the contract land sale would be an
17 amount less than 5 percent of the purchase price of
18 the farmland or ranch land.

19 “(2) MAXIMUM PURCHASE PRICE.—The Sec-
20 retary shall not guarantee a loan made by a private
21 seller of farmland or ranch land to a qualified begin-
22 ning farmer or rancher under subsection (a) if the
23 purchase price or the appraisal value of the farm-
24 land or ranch land that is the subject of the contract
25 land sale is an amount greater than \$500,000.

1 “(d) PERIOD OF GUARANTEE.—The Secretary shall
2 guarantee a loan made by a private seller of farmland or
3 ranch land to a qualified beginning farmer or rancher
4 under subsection (a) for a 10-year period beginning on
5 the date on which the Secretary guarantees the loan.

6 “(e) PROMPT PAYMENT GUARANTEE.—The Sec-
7 retary shall provide to a private seller of farmland or
8 ranch land who makes a loan to a qualified beginning
9 farmer or rancher that is guaranteed by the Secretary,
10 a prompt payment guarantee, which shall cover—

11 “(1) 3 amortized annual installments; or

12 “(2) an amount equal to 3 annual installments
13 (including an amount equal to the total cost of any
14 tax and insurance incurred during the period cov-
15 ered by the annual installments).”.

16 **Subtitle B—Operating Loans**

17 **SEC. 5101. FARMING EXPERIENCE AS ELIGIBILITY RE-** 18 **QUIREMENT.**

19 Section 311 of the Consolidated Farm and Rural De-
20 velopment Act (7 U.S.C. 1941) is amended—

21 (1) by striking the section designation and all
22 that follows through “(a) The Secretary is author-
23 ized to” and inserting the following:

24 **“SEC. 311. PERSONS ELIGIBLE FOR LOANS.**

25 “(a) IN GENERAL.—The Secretary may”;

1 (2) in subsection (a)(2), by inserting “, taking
2 into consideration all farming experience of the ap-
3 plicant, without regard to any lapse between farming
4 experiences” after “farming operations”; and
5 (3) in subsection (e)(1)(C), by striking “6” and
6 inserting “7”.

7 **SEC. 5102. LIMITATIONS ON AMOUNT OF OPERATING**
8 **LOANS.**

9 Section 313(a)(1) of the Consolidated Farm and
10 Rural Development Act (7 U.S.C. 1943(a)(1)) is amended
11 by striking “\$200,000” and inserting “\$300,000”.

12 **SEC. 5103. LIMITATION ON PERIOD BORROWERS ARE ELIGI-**
13 **BLE FOR GUARANTEED ASSISTANCE.**

14 Section 319 of the Consolidated Farm and Rural De-
15 velopment Act (7 U.S.C. 1949) is repealed.

16 **Subtitle C—Administrative**
17 **Provisions**

18 **SEC. 5201. BEGINNING FARMER AND RANCHER INDIVIDUAL**
19 **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

20 The Consolidated Farm and Rural Development Act
21 is amended by adding after section 333A (7 U.S.C. 1983a)
22 the following:

1 **“SEC. 333B. BEGINNING FARMER AND RANCHER INDI-**
2 **VIDUAL DEVELOPMENT ACCOUNTS PILOT**
3 **PROGRAM.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) DEMONSTRATION PROGRAM.—The term
6 ‘demonstration program’ means a demonstration
7 program carried out by a qualified entity under the
8 pilot program established in subsection (b)(1).

9 “(2) ELIGIBLE PARTICIPANT.—The term ‘eligi-
10 ble participant’ means a qualified beginning farmer
11 or rancher that—

12 “(A) lacks significant financial resources
13 or assets; and

14 “(B) has an income that is less than—

15 “(i) 80 percent of the median income
16 of the area in which the eligible participant
17 is located; or

18 “(ii) 200 percent of the most recent
19 annual Federal Poverty Income Guidelines
20 published by the Department of Health
21 and Human Services for that area.

22 “(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—
23 The term ‘individual development account’ means a
24 savings account described in subsection (b)(4)(A).

25 “(4) QUALIFIED ENTITY.—

1 “(A) IN GENERAL.—The term ‘qualified
2 entity’ means—

3 “(i) 1 or more organizations—

4 “(I) described in section
5 501(c)(3) of the Internal Revenue
6 Code of 1986; and

7 “(II) exempt from taxation under
8 section 501(a) of such Code; or

9 “(ii) a State, local, or tribal govern-
10 ment submitting an application jointly with
11 an organization described in clause (i).

12 “(B) NO PROHIBITION ON COLLABORA-
13 TION.—An organization described in subpara-
14 graph (A)(i) may collaborate with a financial
15 institution or for-profit community development
16 corporation to carry out the purposes of this
17 section.

18 “(b) PILOT PROGRAM.—

19 “(1) IN GENERAL.—The Secretary shall estab-
20 lish a pilot program to be known as the ‘New Farm-
21 er Individual Development Accounts Pilot Program’
22 under which the Secretary shall work through quali-
23 fied entities to establish demonstration programs—

24 “(A) of at least 5 years in duration; and

25 “(B) in at least 15 States.

1 “(2) COORDINATION.—The Secretary shall op-
2 erate the pilot program through, and in coordination
3 with the farm loan programs of, the Farm Service
4 Agency.

5 “(3) RESERVE FUNDS.—

6 “(A) IN GENERAL.—Each demonstration
7 program shall establish a reserve fund con-
8 sisting of a non-Federal match of 25 percent of
9 the total amount of the grant awarded to the
10 demonstration program under this section.

11 “(B) FEDERAL FUNDS.—After a dem-
12 onstration program has deposited in the reserve
13 fund the non-Federal matching funds described
14 in subparagraph (A), the Secretary shall pro-
15 vide to the demonstration program for deposit
16 in the reserve fund the total amount of the
17 grant awarded under this section.

18 “(C) USE OF FUNDS.—Of funds deposited
19 in a reserve fund under subparagraphs (A) and
20 (B), a demonstration program—

21 “(i) may use up to 20 percent for ad-
22 ministrative expenses; and

23 “(ii) shall use the remainder to make
24 matching awards described in paragraph
25 (4)(B)(ii)(I).

1 “(D) INTEREST.—Any interest earned on
2 amounts in a reserve fund established under
3 subparagraph (A) may be used as additional
4 matching funds for, or to administer, the dem-
5 onstration program.

6 “(E) GUIDANCE.—The Secretary shall im-
7 plement guidance regarding the investment re-
8 quirements of reserve funds established under
9 this paragraph.

10 “(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

11 “(A) IN GENERAL.—A qualified entity re-
12 ceiving a grant under this section shall establish
13 and administer an individual development ac-
14 count for each eligible participant.

15 “(B) CONTRACT REQUIREMENTS.—To be
16 eligible to receive funds under this section from
17 a qualified entity, each eligible participant shall
18 enter into a contract with a qualified entity
19 under which—

20 “(i) the eligible participant shall
21 agree—

22 “(I) to deposit a certain amount
23 of funds of the eligible participant in
24 a personal savings account, as pre-
25 scribed by the contractual agreement

1 between the eligible participant and
2 the qualified entity; and

3 “(II) to use the funds described
4 in subclause (I) only for 1 or more eli-
5 gible expenditures described in para-
6 graph (5)(A); and

7 “(ii) the qualified entity shall agree—

8 “(I) to deposit not later than 1
9 month after a deposit described in
10 clause (i)(I) at least a 100-percent,
11 and up to a 300-percent, match of
12 that amount into the individual devel-
13 opment account established for the el-
14 igible participant;

15 “(II) with uses of funds proposed
16 by the eligible participant; and

17 “(III) to complete qualified fi-
18 nancial training.

19 “(C) LIMITATION.—

20 “(i) IN GENERAL.—A qualified entity
21 administering a demonstration program
22 may provide not more than \$9,000 for
23 each fiscal year in matching funds to any
24 eligible participant.

1 “(ii) TREATMENT OF AMOUNT.—An
2 amount provided under clause (i) shall not
3 be considered to be a gift or loan for mort-
4 gage purposes.

5 “(D) INTEREST.—Any interest earned on
6 amounts in an individual development account
7 shall be compounded with amounts otherwise
8 deposited in the individual development ac-
9 count.

10 “(5) ELIGIBLE EXPENDITURES.—

11 “(A) IN GENERAL.—An eligible expendi-
12 ture described in this subparagraph is an ex-
13 penditure—

14 “(i) to purchase farmland or make a
15 down payment on an accepted purchase
16 offer for farmland;

17 “(ii) to make mortgage payments for
18 up to 180 days after the date of purchase
19 of farmland;

20 “(iii) to purchase farm equipment or
21 production, storage, or marketing infra-
22 structure or buy into an existing value-
23 added business;

1 “(iv) to purchase breeding stock or
2 fruit or nut trees or trees to harvest for
3 timber;

4 “(v) to pay training or mentorship ex-
5 penses to facilitate specific entrepreneurial
6 agricultural activities; and

7 “(vi) for other similar expenditures,
8 as determined by the Secretary.

9 “(B) TIMING.—

10 “(i) IN GENERAL.—An eligible ex-
11 penditure may be made at any time during
12 the 2-year period beginning on the date on
13 which the last matching funds are provided
14 under paragraph (4)(B)(ii)(I).

15 “(ii) UNEXPENDED FUNDS.—Funds
16 remaining in an individual development ac-
17 count after the period described in clause
18 (i) shall revert to the reserve fund of the
19 demonstration program.

20 “(C) PROHIBITION.—An eligible partici-
21 pant that uses funds in an individual develop-
22 ment account for an eligible expenditure de-
23 scribed in subparagraph (A)(viii) shall not be
24 eligible to receive funds for a substantially simi-
25 lar purpose (as determined by the Secretary)

1 under the national organic program established
2 under the Organic Foods Production Act of
3 1990 (7 U.S.C. 6501 et seq.).

4 “(c) APPLICATIONS.—

5 “(1) ANNOUNCEMENT OF DEMONSTRATION
6 PROGRAMS.—Not later than 180 days after the date
7 of enactment of this section, the Secretary shall—

8 “(A) publicly announce the availability of
9 funding under this section for demonstration
10 programs; and

11 “(B) ensure that applications to carry out
12 demonstration programs are widely available to
13 qualified entities.

14 “(2) SUBMISSION.—Not later than 270 days
15 after the date of enactment of this section, a quali-
16 fied entity may submit to the Secretary an applica-
17 tion to carry out a demonstration program.

18 “(3) CRITERIA.—In considering whether to ap-
19 prove an application to carry out a demonstration
20 program, the Secretary shall assess—

21 “(A) the degree to which the demonstra-
22 tion program described in the application is
23 likely to aid eligible participants in successfully
24 pursuing new farming opportunities;

1 “(B) the experience and ability of the
2 qualified entity to responsibly administer the
3 project;

4 “(C) the experience and ability of the
5 qualified entity in recruiting, educating, and as-
6 sisting eligible participants to increase economic
7 independence and pursue or advance farming
8 opportunities;

9 “(D) the aggregate amount of direct funds
10 from non-Federal public sector and private
11 sources that are formally committed to the
12 demonstration program as matching contribu-
13 tions;

14 “(E) the adequacy of the plan for pro-
15 viding information relevant to an evaluation of
16 the demonstration program; and

17 “(F) such other factors as the Secretary
18 considers to be appropriate.

19 “(4) PREFERENCES.—In considering an appli-
20 cation to conduct a demonstration program under
21 this part, the Secretary shall give preference to an
22 application from a qualified entity that dem-
23 onstrates—

24 “(A) a track record of serving clients tar-
25 geted by the program, including, as appro-

1 priate, socially disadvantaged farmers and
2 ranchers; and

3 “(B) expertise in dealing with financial
4 management aspects of farming.

5 “(5) APPROVAL.—

6 “(A) IN GENERAL.—Not later than 1 year
7 after the date of enactment of this section, in
8 accordance with this section, the Secretary
9 shall, on a competitive basis, approve such ap-
10 plications to conduct demonstration programs
11 as the Secretary considers appropriate.

12 “(B) DIVERSITY.—The Secretary shall en-
13 sure, to the maximum extent practicable, that
14 approved applications involve demonstration
15 programs for a range of geographic areas and
16 diverse populations.

17 “(6) TERM OF AUTHORITY.—If the Secretary
18 approves an application to carry out a demonstration
19 program, the Secretary shall authorize the applying
20 qualified entity to carry out the project for a period
21 of 5 years, plus an additional 2 years for the making
22 of eligible expenditures in accordance with sub-
23 section (b)(5)(B).

24 “(d) GRANT AUTHORITY.—

1 “(1) IN GENERAL.—For each year during which
2 a demonstration program is carried out under this
3 section, the Secretary shall make a grant to the
4 qualified entity authorized to carry out the dem-
5 onstration program.

6 “(2) MAXIMUM AMOUNT OF GRANTS.—The ag-
7 gregate amount of grant funds provided to a dem-
8 onstration program carried out under this section
9 shall not exceed \$300,000.

10 “(e) REPORTS.—

11 “(1) ANNUAL PROGRESS REPORTS.—

12 “(A) IN GENERAL.—Not later than 60
13 days after the end of the calendar year in which
14 the Secretary authorizes a qualified entity to
15 carry out a demonstration program, and annu-
16 ally thereafter until the conclusion of the dem-
17 onstration program, the qualified entity shall
18 prepare an annual report that includes, for the
19 period covered by the report—

20 “(i) an evaluation of the progress of
21 the demonstration program;

22 “(ii) information about the dem-
23 onstration program and eligible partici-
24 pants;

1 “(iii) the number and characteristics
2 of individuals that have made 1 or more
3 deposits into an individual development ac-
4 count;

5 “(iv) the amounts in the reserve fund
6 established with respect to the program;

7 “(v) the amounts deposited in the in-
8 dividual development accounts;

9 “(vi) the amounts withdrawn from the
10 individual development accounts and the
11 purposes for which the amounts were with-
12 drawn;

13 “(vii) the balances remaining in the
14 individual development accounts;

15 “(viii) such other information as the
16 Secretary may require.

17 “(B) SUBMISSION OF REPORTS.—A quali-
18 fied entity shall submit each report required
19 under subparagraph (A) to the Secretary.

20 “(2) REPORTS BY THE SECRETARY.—Not later
21 than 1 year after the date on which all demonstra-
22 tion programs under this section are concluded, the
23 Secretary shall submit to Congress a final report
24 that describes the results and findings of all reports
25 and evaluations carried out under this section.

1 “(f) REGULATIONS.—In carrying out this section, the
2 Secretary may promulgate regulations to ensure that the
3 program includes provisions for—

4 “(1) the termination of demonstration pro-
5 grams;

6 “(2) control of the reserve funds in the case of
7 such a termination;

8 “(3) transfer of demonstration programs to
9 other qualified entities; and

10 “(4) remissions from a reserve fund to the Sec-
11 retary in a case in which a demonstration program
12 is terminated without transfer to a new qualified en-
13 tity.

14 “(g) FUNDING.—

15 “(1) AUTHORIZATION OF APPROPRIATIONS.—
16 There is authorized to be appropriated to carry out
17 this section \$5,000,000 for each of fiscal years 2008
18 through 2012.

19 “(2) ADMINISTRATION AND TRAINING.—Of the
20 total funds made available under paragraph (1) and
21 in addition to any other available funds, not more
22 than 10 percent may be used by the Secretary—

23 “(A) to administer the pilot program; and

24 “(B) to provide training, or hire 1 or more
25 consultants to provide training, to instruct

1 qualified entities in carrying out demonstration
2 programs, including payment of reasonable
3 costs incurred with respect to that training
4 for—

5 “(i) staff or consultant travel;

6 “(ii) lodging;

7 “(iii) meals; and

8 “(iv) materials.”.

9 **SEC. 5202. INVENTORY SALES PREFERENCES; LOAN FUND**
10 **SET-ASIDES.**

11 (a) INVENTORY SALES PREFERENCES.—Section
12 335(e) of the Consolidated Farm and Rural Development
13 Act (7 U.S.C. 1985(e)) is amended—

14 (1) in paragraph (1)—

15 (A) in subparagraph (B)—

16 (i) in the subparagraph heading, by
17 inserting “; SOCIALLY DISADVANTAGED
18 FARMER OR RANCHER” after “OR RANCH-
19 ER”;

20 (ii) in clause (i), by inserting “ or a
21 socially disadvantaged farmer or rancher”
22 after “or rancher”;

23 (iii) in clause (ii), by inserting “or so-
24 cially disadvantaged farmer or rancher”
25 after “or rancher”;

1 (iv) in clause (iii), by inserting “or a
2 socially disadvantaged farmer or rancher”
3 after “or rancher”; and

4 (v) in clause (iv), by inserting “and
5 socially disadvantaged farmers and ranch-
6 ers” after “and ranchers”; and

7 (B) in subparagraph (C), by inserting “or
8 a socially disadvantaged farmer or rancher”
9 after “or rancher”;

10 (2) in paragraph (5)(B)—

11 (A) in clause (i)—

12 (i) in the clause heading, by inserting
13 “; SOCIALLY DISADVANTAGED FARMER OR
14 RANCHER” after “OR RANCHER”;

15 (ii) by inserting “or a socially dis-
16 advantaged farmer or rancher” after “a
17 beginning farmer or rancher”; and

18 (iii) by inserting “or the socially dis-
19 advantaged farmer or rancher” after “the
20 beginning farmer or rancher”; and

21 (B) in clause (ii)—

22 (i) in the matter preceding subclause
23 (I), by inserting “or a socially disadvan-
24 taged farmer or rancher” after “or ranch-
25 er”; and

1 (ii) in subclause (II), by inserting “or
2 the socially disadvantaged farmer or ranch-
3 er” after “or rancher”; and

4 (3) in paragraph (6)—

5 (A) in subparagraph (A), by inserting “or
6 a socially disadvantaged farmer or rancher”
7 after “or rancher”; and

8 (B) in subparagraph (C)—

9 (i) in clause (i)(I), by inserting “and
10 socially disadvantaged farmers and ranch-
11 ers” after “and ranchers”; and

12 (ii) in clause (ii), by inserting “or so-
13 cially disadvantaged farmers or ranchers”
14 after “or ranchers”.

15 (b) LOAN FUND SET-ASIDES.—Section 346(b)(2) of
16 the Consolidated Farm and Rural Development Act (7
17 U.S.C. 1994(b)(2)) is amended—

18 (1) in subparagraph (A)—

19 (A) in clause (i)—

20 (i) in subclause (I), by striking “70
21 percent” and inserting “an amount that is
22 not less than 75 percent of the total
23 amount”; and

24 (ii) in subclause (II)—

1 (I) in the subclause heading, by
2 inserting “; JOINT FINANCING AR-
3 RANGEMENTS” after “PAYMENT
4 LOANS”;

5 (II) by striking “60 percent” and
6 inserting “an amount not less than $\frac{2}{3}$
7 of the amount”; and

8 (III) by inserting “and joint fi-
9 nancing arrangements under section
10 307(a)(3)(D)” after “section 310E”;
11 and

12 (B) in clause (ii)(III), by striking “2003
13 through 2007, 35 percent” and inserting “2008
14 through 2012, an amount that is not less than
15 50 percent of the total amount”; and

16 (2) in subparagraph (B)(i), by striking “25 per-
17 cent” and inserting “an amount that is not less than
18 40 percent of the total amount”.

19 **SEC. 5203. TRANSITION TO PRIVATE COMMERCIAL OR**
20 **OTHER SOURCES OF CREDIT.**

21 Subtitle D of the Consolidated Farm and Rural De-
22 velopment Act is amended by inserting after section 344
23 (7 U.S.C. 1992) the following:

1 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**
2 **OTHER SOURCES OF CREDIT.**

3 “(a) IN GENERAL.—In making or insuring a farm
4 loan under subtitle A or B, the Secretary shall establish
5 a plan and promulgate regulations (including performance
6 criteria) that promote the goal of transitioning borrowers
7 to private commercial credit and other sources of credit
8 in the shortest practicable period of time.

9 “(b) COORDINATION.—In carrying out this section,
10 the Secretary shall integrate and coordinate the transition
11 policy described in subsection (a) with—

12 “(1) the borrower training program established
13 by section 359;

14 “(2) the loan assessment process established by
15 section 360;

16 “(3) the supervised credit requirement estab-
17 lished by section 361;

18 “(4) the market placement program established
19 by section 362; and

20 “(5) other appropriate programs and authori-
21 ties, as determined by the Secretary.”.

22 **SEC. 5204. LOAN AUTHORIZATION LEVELS.**

23 Section 346(b)(1) of the Consolidated Farm and
24 Rural Development Act (7 U.S.C. 1994(b)(1)) is amend-
25 ed—

1 (1) in the matter preceding subparagraph (A),
2 by striking “\$3,796,000,000 for each of fiscal years
3 2003 through 2007” and inserting “\$4,226,000,000
4 for each of fiscal years 2008 through 2012”; and

5 (2) in subparagraph (A)—

6 (A) in the matter preceding clause (i), by
7 striking “\$770,000,000” and inserting
8 “\$1,200,000,000”;

9 (B) in clause (i), by striking
10 “\$205,000,000” and inserting “\$350,000,000”;
11 and

12 (C) in clause (ii), by striking
13 “\$565,000,000” and inserting “\$850,000,000”.

14 **SEC. 5205. INTEREST RATE REDUCTION PROGRAM.**

15 Section 351(a) of the Consolidated Farm and Rural
16 Development Act (7 U.S.C. 1999(a)) is amended—

17 (1) in the subsection heading, by inserting
18 “AND AVAILABILITY” after “ESTABLISHMENT”;

19 (2) by striking “The Secretary” and inserting
20 the following:

21 “(1) ESTABLISHMENT.—The Secretary”; and

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

23 “(2) AVAILABILITY.—The program established
24 under paragraph (1) shall be available with respect
25 to new guaranteed operating loans or guaranteed op-

1 erating loans restructured under this title after the
2 date of enactment of this paragraph that meet the
3 requirements of subsection (b).”.

4 **SEC. 5206. DEFERRAL OF SHARED APPRECIATION RECAP-**
5 **TURE AMORTIZATION.**

6 Section 353(e)(7)(D) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 2001(e)(7)(D)) is
8 amended—

9 (1) in the subparagraph heading, by inserting
10 “AND DEFERRAL” after “REAMORTIZATION”; and

11 (2) in clause (ii)—

12 (A) by redesignating subclause (II) as sub-
13 clause (III); and

14 (B) by inserting after subclause (I) the fol-
15 lowing:

16 “(II) TERM OF DEFERRAL.—The
17 term of a deferral under this subpara-
18 graph shall not exceed 1 year.”.

19 **SEC. 5207. RURAL DEVELOPMENT, HOUSING, AND FARM**
20 **LOAN PROGRAM ACTIVITIES.**

21 Subtitle D of the Consolidated Farm and Rural De-
22 velopment Act is amended by inserting after section 364
23 (7 U.S.C. 2006f) the following:

1 **“SEC. 365. RURAL DEVELOPMENT, HOUSING, AND FARM**
2 **LOAN PROGRAM ACTIVITIES.**

3 “The Secretary may not complete a study of, or enter
4 into a contract with a private party to carry out, without
5 specific authorization in a subsequent Act of Congress, a
6 competitive sourcing activity of the Secretary, including
7 support personnel of the Department of Agriculture, relat-
8 ing to rural development, housing, or farm loan pro-
9 grams.”.

10 **Subtitle D—Farm Credit**

11 **SEC. 5301. AUTHORITY TO PASS ALONG COST OF INSUR-**
12 **ANCE PREMIUMS.**

13 (a) IN GENERAL.—Section 1.12(b) of the Farm
14 Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

15 (1) in the first sentence, by striking “Each
16 Farm” and inserting the following;

17 “(1) IN GENERAL.—Each Farm”; and

18 (2) by striking the second sentence and insert-
19 ing the following:

20 “(2) COMPUTATION.—The assessment on any
21 association or other financing institution described
22 in paragraph (1) for any period shall be computed
23 in an equitable manner, as determined by the Cor-
24 poration.”.

25 (b) RULES AND REGULATIONS.—Section 5.58(10) of
26 the Farm Credit Act of 1971 (12 U.S.C. 2277a–7(10))

1 is amended by inserting “and section 1.12(b)” after
2 “part”.

3 **SEC. 5302. TECHNICAL CORRECTION.**

4 Section 3.3(b) of the Farm Credit Act of 1971 (12
5 U.S.C. 2124(b)) is amended in the first sentence by strik-
6 ing “per” and inserting “par”.

7 **SEC. 5303. CONFIRMATION OF CHAIRMAN.**

8 Section 5.8(a) of the Farm Credit Act of 1971 (12
9 U.S.C. 2242(a)) is amended in the fifth sentence by in-
10 serting “by and with the advice and consent of the Sen-
11 ate,” after “designated by the President,”.

12 **SEC. 5304. PREMIUMS.**

13 (a) AMOUNT IN FUND NOT EXCEEDING SECURE
14 BASE AMOUNT.—Section 5.55(a) of the Farm Credit Act
15 of 1971 (12 U.S.C. 2277a—4(a)) is amended—

16 (1) in paragraph (1)—

17 (A) in the matter preceding subparagraph

18 (A)—

19 (i) by striking “paragraph (2)” and
20 inserting “paragraph (3)”; and

21 (ii) by striking “annual” ; and

22 (B) by striking subparagraphs (A) through
23 (D) and inserting the following:

24 “(A) the average outstanding insured obli-
25 gations issued by the bank for the calendar

1 year, after deducting from the obligations the
2 percentages of the guaranteed portions of loans
3 and investments described in paragraph (2),
4 multiplied by 0.0020; and

5 “(B) the product obtained by multi-
6 plying—

7 “(i) the sum of—

8 “(I) the average principal out-
9 standing for the calendar year on
10 loans made by the bank that are in
11 nonaccrual status; and

12 “(II) the average amount out-
13 standing for the calendar year of
14 other-than-temporarily impaired in-
15 vestments made by the bank; by

16 “(ii) 0.0010.”;

17 (2) by striking paragraph (4);

18 (3) by redesignating paragraphs (2) and (3) as
19 paragraphs (3) and (4), respectively;

20 (4) by inserting after paragraph (1) the fol-
21 lowing:

22 “(2) DEDUCTIONS FROM AVERAGE OUT-
23 STANDING INSURED OBLIGATIONS.—The average
24 outstanding insured obligations issued by the bank
25 for the calendar year referred to in paragraph (1)(A)

1 shall be reduced by deducting from the obligations
2 the sum of (as determined by the Corporation)—

3 “(A) 90 percent of each of —

4 “(i) the average principal outstanding
5 for the calendar year on the guaranteed
6 portions of Federal government-guaranteed
7 loans made by the bank that are in accrual
8 status; and

9 “(ii) the average amount outstanding
10 for the calendar year of the guaranteed
11 portions of Federal government-guaranteed
12 investments made by the bank that are not
13 permanently impaired; and

14 “(B) 80 percent of each of—

15 “(i) the average principal outstanding
16 for the calendar year on the guaranteed
17 portions of State government-guaranteed
18 loans made by the bank that are in accrual
19 status; and

20 “(ii) the average amount outstanding
21 for the calendar year of the guaranteed
22 portions of State government-guaranteed
23 investments made by the bank that are not
24 permanently impaired.”;

1 (5) in paragraph (3) (as redesignated by para-
2 graph (3)), by striking “annual”; and

3 (6) in paragraph (4) (as redesignated by para-
4 graph (3))—

5 (A) in the paragraph heading, by inserting
6 “OR INVESTMENTS” after “LOANS”; and

7 (B) in the matter preceding subparagraph
8 (A), by striking “As used” and all that follows
9 through “guaranteed—” and inserting “In this
10 section, the term “government-guaranteed”,
11 when applied to a loan or an investment, means
12 a loan, credit, or investment, or portion of a
13 loan, credit, or investments, that is guaran-
14 teed—”.

15 (b) AMOUNT IN FUND EXCEEDING SECURE BASE
16 AMOUNT.—Section 5.55(b) of the Farm Credit Act of
17 1971 (12 U.S.C. 2277a–4(b)) is amended by striking “an-
18 nual”.

19 (c) SECURE BASE AMOUNT.—Section 5.55(c) of the
20 Farm Credit Act of 1971 (12 U.S.C. 2277a–4(c)) is
21 amended—

22 (1) by striking “For purposes” and inserting
23 the following:

24 “(1) IN GENERAL.—For purposes”;

1 (2) by striking “(adjusted downward” and all
2 that follows through “by the Corporation)” and in-
3 serting “(as adjusted under paragraph (2))”; and

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

5 “(2) ADJUSTMENT.—The aggregate out-
6 standing insured obligations of all insured System
7 banks under paragraph (1) shall be adjusted down-
8 ward to exclude an amount equal to the sum of (as
9 determined by the Corporation)—

10 “(A) 90 percent of each of—

11 “(i) the guaranteed portions of prin-
12 cipal outstanding on Federal government-
13 guaranteed loans in accrual status made
14 by the banks; and

15 “(ii) the guaranteed portions of the
16 amount of Federal government-guaranteed
17 investments made by the banks that are
18 not permanently impaired; and

19 “(B) 80 percent of each of—

20 “(i) the guaranteed portions of prin-
21 cipal outstanding on State government-
22 guaranteed loans in accrual status made
23 by the banks; and

24 “(ii) the guaranteed portions of the
25 amount of State government-guaranteed

1 investments made by the banks that are
2 not permanently impaired.”.

3 (d) DETERMINATION OF LOAN AND INVESTMENT
4 AMOUNTS.—Section 5.55(d) of the Farm Credit Act of
5 1971 (12 U.S.C. 2277a–4(d)) is amended—

6 (1) in the paragraph heading, by striking
7 “PRINCIPAL OUTSTANDING” and inserting “LOAN
8 AND INVESTMENT AMOUNTS”;

9 (2) in the matter preceding paragraph (1), by
10 striking “For the purpose” and all that follows
11 through “made—” and inserting “For the purpose
12 of subsections (a) and (c), the principal outstanding
13 on all loans made by an insured System bank, and
14 the amount outstanding on all investments made by
15 an insured System bank, shall be determined based
16 on—”;

17 (3) by inserting “all loans or investments
18 made” before “by” the first place it appears in each
19 of paragraph (1), (2), and (3); and

20 (4) in paragraphs (1) and (2), by inserting “or
21 investments” after “that is able to make such loans”
22 each place it appears.

23 (e) ALLOCATION TO SYSTEM INSTITUTIONS OF EX-
24 CESS RESERVES.—Section 5.55(e) of the Farm Credit Act
25 of 1971 (12 U.S.C. 2277a–4(e)) is amended—

1 (1) in paragraph (3), by striking “the average
2 secure base amount for the calendar year (as cal-
3 culated on an average daily balance basis)” and in-
4 serting “the secure base amount”;

5 (2) in paragraph (4), by striking subparagraph
6 (B) and inserting the following:

7 “(B) there shall be credited to the Allo-
8 cated Insurance Reserves Account of each in-
9 sured System bank an amount that bears the
10 same ratio to the total amount (less any
11 amount credited under subparagraph (A)) as—

12 “(i) the average principal outstanding
13 for the calendar year on insured obliga-
14 tions issued by the bank (after deducting
15 from the principal the percentages of the
16 guaranteed portions of loans and invest-
17 ments described in subsection (a)(2));
18 bears to

19 “(ii) the average principal outstanding
20 for the calendar year on insured obliga-
21 tions issued by all insured System banks
22 (after deducting from the principal the
23 percentages of the guaranteed portions of
24 loans and investments described in sub-
25 section (a)(2)).”;

1 (3) in paragraph (6)—

2 (A) in subparagraph (A)—

3 (i) in the matter preceding clause (i),
4 by striking “beginning more” and all that
5 follows through “January 1, 2005”;

6 (ii) by striking clause (i) and inserting
7 the following:

8 “(i) subject to subparagraph (D), pay
9 to each insured System bank, in a manner
10 determined by the Corporation, an amount
11 equal to the balance in the Allocated Insur-
12 ance Reserves Account of the System
13 bank; and”;

14 (iii) in clause (ii)—

15 (I) by striking “subparagraphs
16 (C), (E), and (F)” and inserting
17 “subparagraphs (C) and (E)”;

18 (II) by striking “, of the lesser
19 of—” and all that follows through the
20 end of subclause (II) and inserting
21 “at the time of the termination of the
22 Financial Assistance Corporation, of
23 the balance in the Allocated Insurance
24 Reserves Account established under
25 paragraph (1)(B).”;

1 (B) in subparagraph (C)—

2 (i) in clause (i), by striking “(in addi-
3 tion to the amounts described in subpara-
4 graph (F)(ii))”; and

5 (ii) by striking clause (ii) and insert-
6 ing the following:

7 “(iii) TERMINATION OF ACCOUNT.—
8 On disbursement of amount equal to
9 \$56,000,000, the Corporation shall—

10 “(I) close the Account established
11 under paragraph (1)(B); and

12 “(II) transfer any remaining
13 funds in the Account to the remaining
14 Allocated Insurance Reserves Ac-
15 counts in accordance with paragraph
16 (4)(B) for the calendar year in which
17 the transfer occurs.”.

18 (C) by striking subparagraph (F).

19 **SEC. 5305. CERTIFICATION OF PREMIUMS.**

20 (a) FILING CERTIFIED STATEMENT.—Section 5.56
21 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5) is
22 amended by striking subsection (a) and inserting the fol-
23 lowing:

24 “(a) FILING CERTIFIED STATEMENT.—On a date to
25 be determined in the sole discretion of the Board of Direc-

1 tors of the Corporation, each insured System bank that
2 became insured before the beginning of the period for
3 which premiums are being assessed (referred to in this
4 section as the ‘period’) shall file with the Corporation a
5 certified statement showing—

6 “(1) the average outstanding insured obliga-
7 tions for the period issued by the bank;

8 “(2)(A) the average principal outstanding for
9 the period on the guaranteed portion of Federal gov-
10 ernment-guaranteed loans that are in accrual status;
11 and

12 “(B) the average amount outstanding for the
13 period of Federal government-guaranteed invest-
14 ments that are not permanently impaired (as defined
15 in section 5.55(a)(4));

16 “(3)(A) the average principal outstanding for
17 the period on State government-guaranteed loans
18 that are in accrual status; and

19 “(B) the average amount outstanding for the
20 period of State government-guaranteed investments
21 that are not permanently impaired (as defined in
22 section 5.55(a)(4));

23 “(4)(A) the average principal outstanding for
24 the period on loans that are in nonaccrual status;
25 and

1 “(B) the average amount outstanding for the
2 period of other-than-temporarily impaired invest-
3 ments; and

4 “(5) the amount of the premium due the Cor-
5 poration from the bank for the period.”.

6 (b) PREMIUM PAYMENTS.—Section 5.56 of the Farm
7 Credit Act of 1971 (12 U.S.C. 2277a–5(c)) is amended
8 by striking subsection (c) and inserting the following:

9 “(c) PREMIUM PAYMENTS.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), each insured System bank shall pay to
12 the Corporation the premium payments required
13 under subsection (a), not more frequently than once
14 in each calendar quarter, in such manner and at
15 such 1 or more times as the Board of Directors shall
16 prescribe.

17 “(2) PREMIUM AMOUNT.—The amount of the
18 premium shall be established not later than 60 days
19 after filing the certified statement specifying the
20 amount of the premium.”.

21 (c) SUBSEQUENT PREMIUM PAYMENTS.—Section
22 5.56 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–
23 5(d)) is amended—

24 (1) by striking subsection (d); and

1 (2) by redesignating subsection (e) and sub-
2 section (d).

3 **SEC. 5306. RURAL UTILITY LOANS.**

4 (a) DEFINITION OF QUALIFIED LOAN.—Section
5 8.0(9) of the Farm Credit Act of 1971 (12 U.S.C.
6 2279aa(9)) is amended—

7 (1) in subparagraph (A)(iii), by striking “or” at
8 the end;

9 (2) in subparagraph (B)(ii), by striking the pe-
10 riod at the end and inserting “; or”; and

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

12 “(C) that is a loan, or an interest in a
13 loan, for an electric or telephone facility by a
14 cooperative lender to a borrower that has re-
15 ceived, or is eligible to receive, a loan under the
16 Rural Electrification Act of 1936 (7 U.S.C. 901
17 et seq.).”.

18 (b) GUARANTEE OF QUALIFIED LOANS.—Section
19 8.6(a)(1) of the Farm Credit Act of 1971 (12 U.S.C.
20 2279aa–6(a)(1)) is amended by inserting “applicable” be-
21 fore “standards” each place it appears in subparagraphs
22 (A) and (B)(i).

23 (c) STANDARDS FOR QUALIFIED LOANS.—Section
24 8.8 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–
25 8) is amended—

1 (1) in subsection (a)—

2 (A) by striking the first sentence and in-
3 serting the following:

4 “(1) IN GENERAL.—The Corporation shall es-
5 tablish underwriting, security appraisal, and repay-
6 ment standards for qualified loans taking into ac-
7 count the nature, risk profile, and other differences
8 between different categories of qualified loans.

9 “(2) SUPERVISION, EXAMINATION, AND REPORT
10 OF CONDITION.—The standards shall be subject to
11 the authorities of the Farm Credit Administration
12 under section 8.11.”; and

13 (B) in the last sentence, by striking “In
14 establishing” and inserting the following:

15 “(3) MORTGAGE LOANS.—In establishing”;

16 (2) in subsection (b)—

17 (A) in the matter preceding paragraph (1),
18 by inserting “with respect to loans secured by
19 agricultural real estate” after “subsection (a)”;
20 and

21 (B) in paragraph (5)—

22 (i) by striking “borrower” the first
23 place it appears and inserting “farmer or
24 rancher”; and

1 (ii) by striking “site” and inserting
2 “farm or ranch”;

3 (3) in subsection (c)(1), by inserting “secured
4 by agricultural real estate” after “A loan”;

5 (4) by striking subsection (d); and

6 (5) by redesignating subsection (e) as sub-
7 section (d).

8 (d) RISK-BASED CAPITAL LEVELS.—Section
9 8.32(a)(1) of the Farm Credit Act of 1971 (12 U.S.C.
10 2279bb–1(a)(1)) is amended—

11 (1) by striking “With respect” and inserting
12 the following:

13 “(A) IN GENERAL.—With respect”; and

14 (2) by adding at the end the following:

15 “(B) RURAL UTILITY LOANS.—With re-
16 spect to securities representing an interest in,
17 or obligation backed by, a pool of qualified
18 loans described in section 8.0(9)(C) owned or
19 guaranteed by the Corporation, losses occur at
20 a rate of default and severity reasonably related
21 to risks in electric and telephone facility loans
22 (as applicable), as determined by the Direc-
23 tor.”.

1 **Subtitle E—Miscellaneous**

2 **SEC. 5401. LOANS TO PURCHASERS OF HIGHLY**
3 **FRACTIONED LAND.**

4 The first section of Public Law 91–229 (25 U.S.C.
5 488) is amended—

6 (1) by striking “That the Secretary” and in-
7 serting the following:

8 **“SECTION 1. LOANS TO PURCHASERS OF HIGHLY**
9 **FRACTIONED LAND.**

10 “(a) IN GENERAL.—The Secretary”; and

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

12 “(b) HIGHLY FRACTIONATED LAND.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 the Secretary of Agriculture may make and insure
15 loans in accordance with section 309 of the Consoli-
16 dated Farm and Rural Development Act (7 U.S.C.
17 1929) to eligible purchasers of highly fractionated
18 land pursuant to section 205(c) of the Indian Land
19 Consolidation Act (25 U.S.C. 2204(c)).

20 “(2) EXCLUSION.—Section 4 shall not apply to
21 trust land, restricted tribal land, or tribal corpora-
22 tion land that is mortgaged in accordance with para-
23 graph (1).”.

1 **SEC. 5402. DETERMINATION ON MERITS OF PIGFORD**
2 **CLAIMS.**

3 (a) DEFINITIONS.—In this section:

4 (1) CONSENT DECREE.—The term “consent de-
5 cree” means the consent decree in the case of
6 Pigford v. Glickman, approved by the United States
7 District Court for the District of Columbia on April
8 14, 1999.

9 (2) PIGFORD CLAIM.—The term “Pigford
10 claim” means a discrimination complaint, as defined
11 by section 1(h) of the consent decree and docu-
12 mented under section 5(b) of the consent decree.

13 (3) PIGFORD CLAIMANT.—The term “Pigford
14 claimant” means an individual who previously sub-
15 mitted a late-filing request under section 5(g) of the
16 consent decree.

17 (b) DETERMINATION ON MERITS.—Any Pigford
18 claimant who has not previously obtained a determination
19 on the merits of a Pigford claim may, in a civil action
20 brought in the United States District Court for the Dis-
21 trict of Columbia, obtain that determination.

22 (c) LIMITATION.—

23 (1) IN GENERAL.—Subject to paragraph (2), all
24 payments or debt relief (including any limitation on
25 foreclosure under subsection (g)) shall be made ex-

1 exclusively from funds made available under subsection
2 (h).

3 (2) MAXIMUM AMOUNT.—The total amount of
4 payments and debt relief pursuant to an action com-
5 menced under subsection (b) shall not exceed
6 \$100,000,000.

7 (d) INTENT OF CONGRESS AS TO REMEDIAL NATURE
8 OF SECTION.—It is the intent of Congress that this sec-
9 tion be liberally construed so as to effectuate its remedial
10 purpose of giving a full determination on the merits for
11 each Pigford claim denied that determination.

12 (e) LOAN DATA.—

13 (1) REPORT TO PERSON SUBMITTING PETI-
14 TION.—Not later than 60 days after the Secretary
15 receives notice of a complaint filed by a claimant
16 under subsection (b), the Secretary shall provide to
17 the claimant a report on farm credit loans made
18 within the claimant's county or adjacent county by
19 the Department during the period beginning on Jan-
20 uary 1 of the year preceding the year or years cov-
21 ered by the complaint and ending on December 31
22 of year following such year or years. Such report
23 shall contain information on all persons whose appli-
24 cation for a loan was accepted, including—

25 (A) the race of the applicant;

1 (B) the date of application;

2 (C) the date of the loan decision;

3 (D) the location of the office making the
4 loan decision; and

5 (E) all data relevant to the process of de-
6 ciding on the loan.

7 (2) NO PERSONALLY IDENTIFIABLE INFORMA-
8 TION.—The reports provided pursuant to paragraph
9 (1) shall not contain any information that would
10 identify any person that applied for a loan from the
11 Department of Agriculture.

12 (f) EXPEDITED RESOLUTIONS AUTHORIZED.—Any
13 person filing a complaint under this Act for discrimination
14 in the application for, or making or servicing of, a farm
15 loan, at his or her discretion, may seek liquidated damages
16 of \$50,000, discharge of the debt that was incurred under,
17 or affected by, the discrimination that is the subject of
18 the person's complaint, and a tax payment in the amount
19 equal to 25 percent of the liquidated damages and loan
20 principal discharged, in which case—

21 (1) if only such damages, debt discharge, and
22 tax payment are sought, the complainant shall be
23 able to prove his or her case by substantial evidence
24 (as defined in section 1(l) of the consent decree);
25 and

1 (2) the court shall decide the case based on a
2 review of documents submitted by the complainant
3 and defendant relevant to the issues of liability and
4 damages.

5 (g) LIMITATION ON FORECLOSURES.—Notwith-
6 standing any other provision of law, the Secretary may
7 not begin acceleration on or foreclosure of a loan if the
8 borrower is a Pigford claimant and, in an appropriate ad-
9 ministrative proceeding, makes a prima facie case that the
10 foreclosure is related to a Pigford claim.

11 (h) FUNDING.—

12 (1) IN GENERAL.—Of the funds of the Com-
13 modity Credit Corporation, the Secretary shall make
14 available for payments and debt relief in satisfaction
15 of claims against the United States under subsection
16 (b) and for any actions under subsection (g)
17 \$100,000,000 for fiscal year 2008, to remain avail-
18 able until expended.

19 (2) AUTHORIZATION OF APPROPRIATIONS.—In
20 addition to funds made available under paragraph
21 (1), there are authorized to be appropriated such
22 sums as are necessary to carry out this section.

1 **SEC. 5403. SENSE OF CONGRESS RELATING TO CLAIMS**
2 **BROUGHT BY SOCIALLY DISADVANTAGED**
3 **FARMERS OR RANCHERS.**

4 It is the sense of Congress that the Secretary should
5 resolve all claims and class actions brought against the
6 Department of Agriculture by socially disadvantaged
7 farmers or ranchers (as defined in section 355(e) of the
8 Consolidated Farm and Rural Development Act (7 U.S.C.
9 2003(e)), including Native American, Hispanic, and fe-
10 male farmers or ranchers, based on racial, ethnic, or gen-
11 der discrimination in farm program participation in an ex-
12 peditious and just manner.