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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3558

02/19/2020 Authored by Lippert, Poppe, Hamilton, Klevorn, Vang and others
The bill was read for the first time and referred to the Agriculture and Food Finance and Policy Division

1.1 A bill for an act
1.2 relating to agriculture; doubling the maximum loan amount under the pilot
1.3 agricultural microloan program; amending Minnesota Statutes 2018, section
1.4 41B.056, subdivision 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2018, section 41B.056, subdivision 4, is amended to read:

1.7 Subd. 4. Loans. (a) The authority may disburse loans through an intermediary to farmers
1.8 who are eligible under subdivision 3. The total accumulative loan principal must not exceed
1.9 \$10,000 \$20,000 per loan.

1.10 (b) Refinancing an existing debt is not an eligible purpose.

1.11 (c) The loan may be disbursed over a period not to exceed six years.

1.12 (d) A borrower may receive loans, depending on the availability of funds, up to 70
1.13 percent of the estimated value of the crop or livestock.

1.14 (e) Security for the loan must be a personal note executed by the borrower and any other
1.15 security required by the intermediary or the authority.

1.16 (f) The authority may prescribe forms and establish an application process for applicants
1.17 to apply for a loan.

1.18 (g) The interest payable on loans for the pilot agricultural microloan program must be
1.19 at a rate determined by the authority.

1.20 (h) Loans under this program will be made using money in the revolving loan account
1.21 established under section 41B.06.

- 2.1 (i) Repayments of financial assistance under this section, including principal and interest,
- 2.2 must be deposited into the revolving loan account established under section 41B.06.