

41.59 SALE OR CONVEYANCE.

Subdivision 1. **Immediate repayment of loan.** Any participant who sells or conveys the property for which a family farm security loan was issued shall immediately retire the entire indebtedness still owed to the lender and the commissioner. The new owner may negotiate a new family farm security loan, but under no circumstances may the original loan be assumed by the new owner. If the new owner is granted a family farm security loan, the new owner may agree to assume the original participant's responsibility to reimburse the commissioner for a payment adjustment received, as a portion of the total purchase price. That portion of the purchase price may not be included under the guarantee or considered when calculating the payment adjustment for the new owner. This subdivision is not intended to prohibit the participant from granting a security interest in the property for the purposes of securing an additional loan.

Any participant who fails to personally maintain the land covered by a family farm security loan in active agricultural production for a period of time longer than one year is in default. The default may be waived by the commissioner in the event of a physical disability or other extenuating circumstances.

Subd. 2. [Repealed, 1Sp1985 c 14 art 1 s 59]

Subd. 3. [Repealed, 1Sp1985 c 14 art 1 s 59]

History: 1976 c 210 s 9; 1983 c 332 s 13-15; 1985 c 276 s 6; 1986 c 444