

1650.0611 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 1650.0601 to 1650.0651.

Subp. 2. **Agricultural improvements.** "Agricultural improvements" has the meaning given in Minnesota Statutes, section 41B.02, subdivision 19.

Subp. 3. **Agricultural improvement loan program or program.** "Agricultural improvement loan program" or "program" means the program authorized by Minnesota Statutes, section 41B.043.

Subp. 4. **Agricultural land.** "Agricultural land" means land suitable for use in farming.

Subp. 5. **Applicant.** "Applicant" means a potential borrower who submits an application directly to the RFA for a direct loan or through an eligible lender for a loan participation.

Subp. 6. **Application.** "Application" means an application for a loan under the agricultural improvement loan program in the form provided by the RFA.

Subp. 7. **Assets.** "Assets" means all property, real or personal, tangible or intangible, and all contract rights of value that constitute assets, including cash crops or feed on hand, livestock held for sale, breeding stock, receivable notes, receivables, cash invested in growing crops, cash value of life insurance, machinery and equipment, cars, trucks, farms and other real estate including life estates and personal residences, and the value of a beneficial interest in trusts.

Subp. 8. **Borrower.** "Borrower" means the person or persons liable on a mortgage loan made under the program.

Subp. 9. **Collateral.** "Collateral" means all assets pledged as security for a borrower's obligation under a mortgage loan made under the program, including all assets, guarantees, money, letters of credit, or assignments of collateral or a pledge for a loan on which the lender has a security interest or lien.

Subp. 10. **Direct loan.** "Direct loan" means a loan originated and serviced by the RFA without involvement of an eligible lender.

Subp. 11. **Executive director.** "Executive director" means the executive director of the RFA or any other officer authorized to act on behalf of the board of the RFA or its executive director.

Subp. 12. **Farming.** "Farming" means the cultivation or use of land or land improvements, and personal property for the production of agricultural crops, vegetables, fruit or other horticultural crops, forest products, bees and apiary products, livestock, dairy animals, dairy products, poultry or poultry products, fur-bearing animals, aquaculture,

hydroponics, exotic species of plants or animals, or other products related to agriculture. Farming also includes:

A. the use of wetlands, pasture, forest land, wildlife, and homestead and other real property associated with the agricultural use of land; and

B. the practices and facilities needed to conserve soil and water, protect human and animal health, have a safe and efficient operation, and meet local, state, and federal laws and regulations relating to the operation of the farm.

Subp. 13. **Fixtures.** "Fixtures" means an article of personal property that has been affixed or annexed to real estate so that it is regarded as a part of the real property. A thing is considered to be affixed or annexed to real estate if it is attached to it by roots, imbedded in it, permanently resting upon it, or permanently attached to it, as by means of cement, plaster, nails, bolts, or screws.

Subp. 14. **Liabilities.** "Liabilities" means debts or other obligations for which an applicant is responsible, including accounts payable, notes or other indebtedness owed, taxes, rent, amounts owed on real estate contracts or mortgages, judgments, and accrued interest payable.

Subp. 15. **Mortgage loan or loan.** "Mortgage loan" or "loan" means a direct loan from the RFA or loan participation under the program that is secured by a first mortgage on real property.

Subp. 16. **Net worth.** "Net worth" means the total value of an applicant's assets and the assets of the applicant's spouse and dependents, less the liabilities of the same parties.

Subp. 17. **Real estate.** "Real estate" means land and anything permanently affixed to the land, such as buildings, fences, and things attached to the buildings, such as light fixtures, plumbing, and heating fixtures, or other items that would be personal property if not attached.

Subp. 18. **RFA.** "RFA" means the Rural Finance Authority established by Minnesota Statutes, section 41B.025.

Statutory Authority: *MS s 41B.07; 41C.13*

History: *20 SR 2427; 30 SR 372*

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