1650.0021 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 1650.0011 to 1650.0071.

Subp. 2. **Agricultural purposes or farming.** "Agricultural purposes" or "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 agriculturally related products. "Agricultural purposes" and "farming" include:

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 a farm.

Subp. 3. **Applicant.** "Applicant" means a potential borrower who submits an application to the RFA through an eligible lender.

Subp. 4. **Application.** "Application" means the application for the basic beginning farmer loan participation in the form provided by the RFA.

Subp. 5. **Assets.** "Assets" means 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, marketable bonds and securities, securities not readily marketable, accounts receivable, notes receivable, cash invested in growing crops, cash value of life insurance, machinery and equipment, cars and trucks, farm and other real estate including life estates and personal residence, and the value of a beneficial interest in trusts.

Subp. 6. [Repealed, 30 SR 372]

Subp. 7. **Borrower.** "Borrower" means the person or persons liable on a first mortgage loan participation made under this program.

Subp. 8. **Debt to asset ratio.** "Debt to asset ratio" means the total outstanding liabilities of an applicant divided by the total outstanding assets of the applicant expressed as a percentage.

Subp. 9. **Executive director.** "Executive director" means the executive director of the RFA or any other officer authorized to act on behalf of the RFA board or its executive director.

Subp. 9a. **First mortgage loan or loan.** "First mortgage loan" or "loan" means a loan participation under this program secured by a first mortgage on real property.

Subp. 10. **Liabilities.** "Liabilities" means the debts or other obligations for which an applicant is responsible, including: accounts payable, notes or other indebtedness, taxes, rent, amount owed on real estate contracts or mortgages, judgments, and accrued interest payable.

Subp. 11. **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. 12. **Note and loan agreement.** "Note and loan agreement" means the form provided by the RFA that is signed by a borrower evidencing the terms of the first mortgage loan and the borrower's obligation to repay the loan.

Subp. 13. **Participation agreement.** "Participation agreement" means the document entered into between the RFA and an approved lender that establishes the relationship between the parties and the terms and conditions of first mortgage loans to be offered to the RFA for participation under the basic beginning farmer participation program.

Subp. 14. **RFA.** "RFA" means the Rural Finance Authority established by Minnesota Statutes, section 41B.025.

Subp. 15. **RFA beginning farmer program.** "RFA beginning farmer program" means the RFA program for the purchase of participation interests in first mortgage real estate loans made to eligible borrowers so that the borrowers may use the real estate for agricultural purposes.

Subp. 16. **RFA participation.** "RFA participation" means the RFA's undivided interest in the principal of a first mortgage loan, all rights and interests in the loan documents, all payments arising under the loan, the first security real estate mortgage securing the loan, and any other collateral pledged to secure the loan.

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

History: *20 SR 2251(NO. 42); 30 SR 372*

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