

1651.0021 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 1651.0011 to 1651.0101.

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 seller-sponsored loan participation in the form provided by the RFA.

Subp. 5. **Assets.** "Assets" mean 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. **Borrower.** "Borrower" means the person or persons liable on a first mortgage loan made under this program.

Subp. 7. **Collateral.** "Collateral" means all assets pledged as security for a borrower's obligation under a first mortgage loan made under this program. It includes all instruments, personal and real property, guaranties, money, letters of credit, and assignments and pledges of money or property for or on which the lender has a security interest or lien.

Subp. 8. **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. 9. **First mortgage loan, mortgage loan, or loan.** "First mortgage loan," "mortgage loan," or "loan" means loan participation under the seller-sponsored program, which is 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, amounts 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 seller-sponsored loan participation program.

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

Subp. 15. **RFA participation.** "RFA participation" means the RFA's undivided interest in the principal of a first mortgage loan, all payments arising under the loan, the first security real estate mortgage securing the loan, any other collateral pledged to secure the loan, and the first mortgage loan documents.

Subp. 16. **RFA seller-sponsored loan participation program; seller-sponsored program; or seller-assisted loan participation program.** "RFA seller-sponsored loan participation program," "seller-sponsored program," or "seller-assisted loan participation program" means the RFA program for the purchase of participation interests in first security mortgage real estate loans made under parts 1651.0011 to 1651.0101.

Subp. 17. **Seller.** "Seller" means the person or persons selling a farm under the seller-sponsored program.

Subp. 18. **Seller-sponsor's loan commitment form or seller-assisted loan commitment form.** "Seller-sponsor's loan commitment form" or "seller-assisted loan commitment form" means the form provided by the RFA that is signed by a seller evidencing the seller's understanding of the seller-sponsored program, its rules, and the seller's commitment to make a loan to an applicant and to subordinate the seller's loan to the first mortgage loan made by an eligible lender.

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

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