1653.0021 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 1653.0011 to 1653.0111 and the master participation agreement.

Subp. 2. **Agricultural purposes.** "Agricultural purposes" means the cultivation or use of land, 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, and other agriculturally related products. "Agricultural purposes" also includes the use of wetlands, pasture, forest land, wildlife, and homestead and other real property associated with the agricultural use of land. "Agricultural purposes" also includes 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, rules, and regulations relating to the operation of a farm.

Subp. 3. **Amortized loan.** "Amortized loan" means a loan that will be fully paid, including all principal and interest, in a specific period of time.

Subp. 4. **Annual expenses.** "Annual expenses" means the total of all expenses incurred during the year plus an estimate of family living expenses.

Subp. 5. **Annual gross income.** "Annual gross income" means the total of all income earned on or off the farm for the calendar year.

Subp. 6. **Applicant.** "Applicant" means a potential borrower who submits an application to the RFA through an eligible lender.

Subp. 7. **Application.** "Application" means the application for the restructure loan participation in the form provided by the RFA.

Subp. 8. **Appraised value.** "Appraised value" means the dollar value placed on the farm being offered for collateral for a first mortgage loan.

Subp. 9. **Assets.** "Assets" means property, real or personal, tangible or intangible, and all valuable contract rights, 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, trucks, farm and other real estate including life estates and personal residence, and the value of a beneficial interest in trusts.

Subp. 10. **Borrower.** "Borrower" means the person or persons liable on a first mortgage participation made under this program.

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Subp. 11. **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. 11a. **First mortgage loan, mortgage loan, or loan.** "First mortgage loan," "mortgage loan," or "loan" means a loan participation under this program which is secured by a first mortgage on real property.

Subp. 12. **Liabilities.** "Liabilities" means debts or other obligations for which an applicant is responsible, including accounts payable, notes or other indebtedness owed, taxes, rent, amount owed on real estate contracts or mortgages, judgments, and accrued interest payable.

Subp. 13. **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. 14. **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. 15. **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 RFA restructure II program.

Subp. 16. **Restructure loan.** "Restructure loan" means a first mortgage loan made by an eligible lender to an eligible borrower, offered to the RFA for participation, and in which the RFA has purchased a participation.

Subp. 17. **RFA.** "RFA" means the Rural Finance Authority established by Minnesota Statutes, section 41B.025.

Subp. 18. **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.

Subp. 19. **RFA restructure II program.** "RFA restructure II program" means the RFA program redefined on or after July 1, 1993, for the purchase of a participation interest in first mortgage real estate loans made to eligible borrowers so that the borrowers may reorganize their agricultural debt.

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

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