

CHAPTER 41B

RURAL FINANCE AUTHORITY

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41B.02 DEFINITIONS.

[For text of subds 1 to 7b, see M.S.1994]

Subd. 8. Eligible agricultural lender; eligible lender. "Eligible agricultural lender" or "eligible lender" means a bank, credit union, or savings association chartered by the state or federal government, a subdivision of the Farm Credit System, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any insurance company, fund, or other financial institution doing business as an agricultural lender within the state, if the authority determines that the agricultural lender has sufficient personnel and other resources to efficiently and properly originate and service qualified agricultural loans. An eligible agricultural lender must enter into one or more agreements with the authority providing for the origination and servicing of qualified agricultural loans on the terms and conditions the authority determines to be appropriate.

[For text of subds 9 to 18, see M.S.1994]

Subd. 19. Agricultural improvements. "Agricultural improvements" means improvements to a farm, including the purchase and construction or installation of improvements to land, buildings, and other permanent structures, including equipment incorporated in or permanently affixed to the land, buildings, or structures, which are useful for and intended to be used for the purpose of farming. "Agricultural improvements" includes wind energy conversion facilities, as defined in section 216C.06, subdivision 12, each with an output capacity of one megawatt or less, as determined by the nameplate capacity. "Agricultural improvements" does not include equipment not affixed to real estate or improvements or additions to that equipment.

Subd. 20. Ethanol production facility. "Ethanol production facility" means a facility that ferments, distills, dewateres, or otherwise produces ethanol as defined in section 41A.09, subdivision 2a, paragraph (a).

History: 1995 c 202 art 1 s 25; 1995 c 220 s 49; 1995 c 245 s 1

41B.03 BORROWER ELIGIBILITY CRITERIA.

[For text of subds 1 to 5, see M.S.1994]

Subd. 6. Application fee. The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs.

History: 1995 c 220 s 50

41B.04 LOAN RESTRUCTURING PROGRAM.

[For text of subds 1 to 12, see M.S.1994]

Subd. 17. Application and origination fee. The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's par-

ticipation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program.

History: 1995 c 220 s 51

41B.043 AGRICULTURAL IMPROVEMENT LOAN PROGRAM.

[For text of subds 1 and 1a, see M.S.1994]

Subd. 1b. Loan participation. The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Subd. 2. Specifications. No direct loan may exceed \$35,000 or \$100,000 for a loan participation or be made to refinance an existing debt. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Subd. 3. Application and origination fee. The authority may impose a reasonable non-refundable application fee for each application for a direct loan or participation and an origination fee for each direct loan issued under the agricultural improvement loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program.

[For text of subd 4, see M.S.1994]

History: 1995 c 220 s 52-54

41B.045 LIVESTOCK EXPANSION LOAN PROGRAM.

[For text of subd 1, see M.S.1994]

Subd. 2. Loan participation. The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. Participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

[For text of subds 3 to 5, see M.S.1994]

History: 1995 c 220 s 55

41B.046 VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.

Subdivision 1. Definitions. For purposes of this section:

- (1) "Agricultural commodity" has the meaning given in section 17.90.
- (2) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural commodities or agricultural energy resources, including waste and residues from agricultural commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(3) "Value-added agricultural product" means a product derived from agricultural commodities or agricultural energy resources, including waste and residues from agricultural commodities, but, except as provided in subdivision 4a, not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

(4) "Agricultural energy resources" means energy products and resources available on and around agricultural land including wind, solar, and biomass energy.

(5) "Farm-generated wind energy production facility" means a wind energy conversion facility for the generation of electricity and its support structure, base, switch gear, and associated equipment installed on agricultural land.

[For text of subds 2 to 4, see M.S. 1994]

Subd. 4a. Certain livestock processing facilities eligible. An applicant may be eligible for a loan under this section if:

(1) the facility is owned and operated by a cooperative organized under chapter 308A. For purposes of this subdivision, "owned and operated" includes a contractual arrangement with another entity to provide management and operations services for a facility owned by the cooperative; and

(2) its agricultural product processing facility is located in Minnesota and operated primarily for the processing of livestock.

Subd. 4b. Farm-generated wind energy production facilities eligible. An applicant is eligible for a loan for a farm-generated wind energy production facility under this section if:

(1) the facility is owned and operated by a cooperative organized under chapter 308A. For purposes of this subdivision, "owned and operated" includes a contractual arrangement with another entity to provide management and operations services for a facility owned by the cooperative;

(2) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where farm-generated wind energy production facilities of the cooperative are located; and

(3) its farm-generated wind energy production facilities are located entirely on agricultural property in Minnesota principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), owned by the shareholders of the cooperative, with no more than two megawatts of nameplate capacity located on any one shareholder's agricultural property.

[For text of subds 5 and 6, see M.S. 1994]

History: 1995 c 220 s 56,57; 1995 c 245 s 2,3

41B.211 DATA PRIVACY.

Subdivision 1. Data on individuals. Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13, except that information obtained under the agricultural development bond program in sections 41C.01 to 41C.13 may be released as required by federal tax law.

Subd. 2. Data not on individuals. The following data submitted to the authority by businesses that are requesting financial assistance are nonpublic data as defined in section 13.02: financial information about the applicant, including credit reports, financial statements, net worth calculations, business plans, income and expense projections, customer lists, market and feasibility studies not paid for with public funds, tax returns, and financial reports provided to the authority after closing of the financial assistance.

History: 1995 c 259 art 1 s 29