

**41.52 DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of Laws 1976, chapter 210 the following terms shall have the meanings given.

Subd. 2. **Applicant.** "Applicant" means a natural person applying for a family farm security loan.

Subd. 3. **Council.** "Council" means the Family Farm Advisory Council.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 5. **Family farm security loan.** "Family farm security loan", except in the case of a seller-sponsored loan, means a loan secured by a first real estate mortgage. In the case of a seller-sponsored loan, it means a loan secured either by a real estate mortgage evidenced by one or more notes or secured by a contract for deed. It shall be used for acquisition of farm land and shall be approved by the commissioner. This loan shall be guaranteed and may qualify for a payment adjustment as defined in subdivision 10 and may be a seller-sponsored loan as defined in subdivision 8.

Subd. 6. **Farm land.** "Farm land" means land in Minnesota that is capable of supporting the commercial production of agricultural crops, livestock or livestock products, poultry products, milk or dairy products, or fruit or other horticultural products.

Subd. 7. **Lender.** "Lender" means any bank, savings bank, mutual savings bank, savings association, organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other financial institutions subject to the supervision of the commissioner of commerce; and any foreign or domestic corporation engaged in the business of insurance which is subject to the supervision of the commissioner of commerce as defined in section 60A.02, subdivision 3; and any financial institution operating under the supervision of the farm credit administration. In case of seller-sponsored loans as authorized in section 41.58, "lender" also means the seller of the property.

Subd. 8. **Seller-sponsored loan.** "Seller-sponsored loan" means a loan in which part or all of the purchase price of the farm is financed by a loan from the seller of the property who is a natural person, a partnership or a family farm corporation as defined in section 500.24, and the remainder of the loan, if any, is supplied by a lender as defined in subdivision 7 or other person. This loan shall be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates, or by a contract for deed.

Subd. 9. **Family farm loan guarantee.** "Family farm loan guarantee" means an agreement that in the event of default the state of Minnesota shall pay the lender 90 percent of the sums due

and payable under the first real estate mortgage, or, in the case of a seller-sponsored loan, 90 percent of the sums due and payable under the note and mortgage or contract for deed.

Subd. 10. **Payment adjustment.** "Payment adjustment" means an amount of money equal to four percent interest on the principal balance of the family farm security loan.

Subd. 11. **Cooperating agency.** "Cooperating agency" means any individual, financial institution, state or federal agency, or any other legal entity which executes a memorandum of understanding with the family farm security program.

Subd. 12. **Memorandum of understanding.** "Memorandum of understanding" means an agreement outlining conditions under which a cooperating agency will provide farm real estate loan funds not to be included under a family farm loan guarantee to applicants.

Subd. 13. **Participant.** "Participant" means an applicant who has received final approval for a guarantee which has been fully executed by the state.

**History:** 1976 c 210 s 2; 1977 c 170 s 1,2; 1981 c 261 s 4-8; 1983 c 289 s 114 subd 1; 1983 c 332 s 2; 1984 c 655 art 1 s 92; 1995 c 202 art 1 s 25