41B.042 SELLER-SPONSORED PROGRAM.

Subdivision 1. **Establishment.** The authority must, within 120 days after August 1, 1989, establish, develop criteria, and implement a seller-sponsored loan participation program to assist persons entering or reentering farming. The authority must conduct a study on the feasibility of implementing a program for assistance to persons entering or reentering farming through seller-participation contracts for deed and report to the legislature by January 15, 1990.

Subd. 2. **Security.** Seller-sponsored loans in which the authority holds an interest must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates.

Subd. 3. **Prohibited participation.** The authority may not participate in seller-sponsored loans if the buyer or seller has previously participated in a family farm security loan or a seller-sponsored loan under chapter 41. Unless the loan is partially financed by an eligible lender, the authority may not participate in loans between persons that are related to each other as parent and child, brother and sister, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins.

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan. Individual loans must be no less than $20,000 and no more than $500,000. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

History: *1989 c 273 s 7; 1992 c 532 s 2; 1993 c 332 s 4; 2000 c 477 s 57; 2000 c 488 art 3 s 16; 2004 c 254 s 18; 2009 c 94 art 1 s 86; 2015 c 44 s 24; 2024 c 126 art 2 s 58; 2024 c 127 art 38 s 58; 2025 c 34 art 3 s 26*