

date of publication of the interim regulations issued pursuant to paragraph (2)(A) [set out below].

“(B) EXCEPTION.—The amendment made by paragraph (1) shall apply to each primary loan servicing application submitted on or after the date of enactment of this Act [Dec. 13, 1991].”

#### REGULATIONS

Pub. L. 102-237, title V, § 501(d)(2), Dec. 13, 1991, 105 Stat. 1867, provided that:

“(A) INTERIM REGULATIONS.—Notwithstanding section 553 of title 5, United States Code, as soon as practicable after the date of enactment of this Act [Dec. 13, 1991] and without a requirement for prior public notice and comment, the Secretary of Agriculture shall issue interim regulations that provide for the implementation of the amendment made by paragraph (1) [amending this section] beginning in crop year 1992.

“(B) FINAL REGULATIONS.—The Secretary of Agriculture shall provide for public notice and comment before the issuance of final regulations to implement the amendment made by paragraph (1).”

#### § 1981f. Underwriting forms and standards

In the administration of this chapter, the Secretary shall, to the extent practicable, use underwriting forms, standards, practices, and terminology similar to the forms, standards, practices, and terminology used by lenders in the private sector.

(Pub. L. 87-128, title III, § 331F, as added Pub. L. 101-624, title XVIII, § 1808(a), Nov. 28, 1990, 104 Stat. 3820.)

#### Editorial Notes

##### REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this title”, meaning title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act, which is classified principally to this chapter. For complete classification of title III to the Code, see Short Title note set out under section 1921 of this title and Tables.

#### Statutory Notes and Related Subsidiaries

##### REGULATIONS

Pub. L. 101-624, title XVIII, § 1808(b), Nov. 28, 1990, 104 Stat. 3820, provided that: “The Secretary of Agriculture shall not issue final regulations providing for the use of ratios and standards for determining the degree of potential loan risk under section 331F of the Consolidated Farm and Rural Development Act [7 U.S.C. 1981f] (as added by subsection (a) of this section), prior to the submission of the study and report on the effects of the regulations required by section 621 of the Agricultural Credit Act of 1987 (7 U.S.C. 1989 note).”

#### § 1982. Relief for mobilized military reservists from certain agricultural loan obligations

##### (a) Definition of mobilized military reservist

In this section, the term “mobilized military reservist” means an individual who—

(1) is on active duty under section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12406, or chapter 13 of title 10, or any other provision of law during a war or during a national emergency declared by the President or Congress, regardless of the location at which the active duty service is performed; or

(2) in the case of a member of the National Guard, is on full-time National Guard duty (as defined in section 101(d)(5) of title 10) under a

call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President and supported by Federal funds.

##### (b) Forgiveness of interest payments due while borrower is a mobilized military reservist

Any requirement that a borrower of a direct loan made under this chapter make any interest payment on the loan that would otherwise be required to be made while the borrower is a mobilized military reservist is rescinded.

##### (c) Deferral of principal payments due while or after borrower is a mobilized military reservist

The due date of any payment of principal on a direct loan made to a borrower under this chapter that would otherwise be required to be made while or after the borrower is a mobilized military reservist is deferred for a period equal in length to the period for which the borrower is a mobilized military reservist.

##### (d) Nonaccrual of interest

Interest on a direct loan made to a borrower described in this section shall not accrue during the period the borrower is a mobilized military reservist.

##### (e) Borrower not considered to be delinquent or receiving debt forgiveness

Notwithstanding section 2008h of this title or any other provision of this chapter, a borrower who receives assistance under this section shall not, as a result of the assistance, be considered to be delinquent or receiving debt forgiveness for purposes of receiving a direct or guaranteed loan under this chapter.

(Pub. L. 87-128, title III, § 332, as added Pub. L. 108-375, div. A, title VI, § 664, Oct. 28, 2004, 118 Stat. 1974; amended Pub. L. 115-232, div. A, title XII, § 1204(a)(2), Aug. 13, 2018, 132 Stat. 2017.)

#### Editorial Notes

##### REFERENCES IN TEXT

This chapter, referred to in subsecs. (b), (c), and (e), was in the original “this title”, meaning title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act. For complete classification of title III to the Code, see Short Title note set out under section 1921 of this title and Tables.

##### PRIOR PROVISIONS

A prior section 1982, Pub. L. 87-128, title III, § 332, Aug. 8, 1961, 75 Stat. 314; Pub. L. 99-198, title XIII, § 1311, Dec. 23, 1985, 99 Stat. 1524; Pub. L. 100-233, title VI, § 607, Jan. 6, 1988, 101 Stat. 1667; Pub. L. 101-624, title XVIII, § 1809, Nov. 28, 1990, 104 Stat. 3820; Pub. L. 102-554, § 11, Oct. 28, 1992, 106 Stat. 4151, related to county commitments, prior to repeal by Pub. L. 103-354, title II, § 227(b)(1), Oct. 13, 1994, 108 Stat. 3218.

##### AMENDMENTS

2018—Subsec. (a)(1). Pub. L. 115-232 substituted “chapter 13” for “chapter 15”.

#### § 1983. Special conditions and limitations on loans

In connection with loans made or insured under this chapter, the Secretary shall—

(1) require the applicant (A) to certify in writing, and the Secretary shall determine, that he is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, and (B) to furnish an appropriate written financial statement;

(2) except with respect to a loan under section 1926, 1932, or 1944 of this title, require—

(A) an annual review of the credit history and business operation of the borrower; and

(B) an annual review of the continued eligibility of the borrower for the loan;

(3) except for guaranteed loans, require an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source (or, in the case of a borrower under section 1934 of this title, the borrower may be able to obtain a loan under section 1922 of this title), at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

(4) require such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States;

(5) require the application of a person who is a veteran of any war, as defined in section 101(12) of title 38, for a loan under subchapter I or II to be given preference over a similar application from a person who is not a veteran of any war, if the applications are on file in a county or area office at the same time;

(6) in the case of water and waste disposal direct and guaranteed loans provided under section 1926 of this title, encourage, to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by—

(A) maximizing the use of loan guarantees to finance eligible projects in rural communities in which the population exceeds 5,500;

(B) maximizing the use of direct loans to finance eligible projects in rural communities if the impact on ratepayers will be material when compared to financing with a loan guarantee;

(C) establishing and applying a materiality standard when determining the difference in impact on ratepayers between a direct loan and a loan guarantee;

(D) in the case of projects that require interim financing in excess of \$500,000, requiring that the projects initially seek the financing from private or cooperative lenders; and

(E) determining if an existing direct loan borrower can refinance with a private or co-

operative lender, including with a loan guarantee, prior to providing a new direct loan; and

(7) in the case of an insured or guaranteed loan issued or modified under section 1926(a) of this title, charge and collect from the lender fees in such amounts as to bring down the costs of subsidies for the insured or guaranteed loan, except that the fees shall not act as a bar to participation in the programs nor be inconsistent with current practices in the marketplace.

(Pub. L. 87-128, title III, §333, Aug. 8, 1961, 75 Stat. 314; Pub. L. 90-488, §12, Aug. 15, 1968, 82 Stat. 771; Pub. L. 91-620, §3, Dec. 31, 1970, 84 Stat. 1862; Pub. L. 92-419, title I, §§118(b), 125, 126, Aug. 30, 1972, 86 Stat. 664, 666; Pub. L. 95-334, title I, §123, Aug. 4, 1978, 92 Stat. 428; Pub. L. 96-438, §3(c), Oct. 13, 1980, 94 Stat. 1875; Pub. L. 97-98, title XVI, §1604, Dec. 22, 1981, 95 Stat. 1346; Pub. L. 101-624, title XVIII, §1810, title XXIII, §2388(e), Nov. 28, 1990, 104 Stat. 3820, 4053; Pub. L. 102-237, title V, §501(e), Dec. 13, 1991, 105 Stat. 1867; Pub. L. 102-554, §12, Oct. 28, 1992, 106 Stat. 4151; Pub. L. 103-354, title II, §227(b)(2), Oct. 13, 1994, 108 Stat. 3218; Pub. L. 104-127, title VI, §§634, 635(a), 636, Apr. 4, 1996, 110 Stat. 1093; Pub. L. 107-171, title V, §5306, May 13, 2002, 116 Stat. 345; Pub. L. 113-79, title VI, §6019, Feb. 7, 2014, 128 Stat. 846; Pub. L. 115-334, title VI, §6418, Dec. 20, 2018, 132 Stat. 4764.)

#### Editorial Notes

##### REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this title”, meaning title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act, which is classified principally to this chapter. For complete classification of title III to the Code, see Short Title note set out under section 1921 of this title and Tables.

##### AMENDMENTS

2018—Par. (7). Pub. L. 115-334 added par. (7).

2014—Pub. L. 113-79, §6019(1), struck out “require” after “shall” in introductory provisions.

Par. (1). Pub. L. 113-79, §6019(2), inserted “require” after “(1)”.

Par. (2). Pub. L. 113-79, §6019(3), inserted “, require” after “1944 of this title”.

Par. (3). Pub. L. 113-79, §6019(4), inserted “require” after “loans,”.

Par. (4). Pub. L. 113-79, §6019(5)(A), inserted “require” after “(4)”.

Par. (5). Pub. L. 113-79, §6019(6)(A), inserted “require” after “(5)”.

Par. (6). Pub. L. 113-79, §6019(5)(B), (6)(B), (7), added par. (6).

2002—Par. (2). Pub. L. 107-171 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “except with respect to a loan under section 1926, 1932, or 1944 of this title, the county or area committee established under section 590h(b)(5)(B) of title 16 to certify in writing—

“(A) that an annual review of the credit history and business operation of the borrower has been conducted; and

“(B) that a review of the continued eligibility of the borrower for the loan has been conducted;”.

1996—Par. (1)(B). Pub. L. 104-127, §634, substituted “an appropriate written financial statement” for “a written statement showing the applicant’s net worth”.

Pars. (2) to (4). Pub. L. 104-127, §635(a), added par. (2) and redesignated former pars. (2) and (3) as (3) and (4), respectively. Former par. (4) redesignated (5).

Par. (5). Pub. L. 104-127, §636, added par. (5) and struck out former par. (5) which read as follows: "the applications of veterans for loans under subchapter I or II of this chapter to be given preference over similar applications of nonveterans on file in any county or area office at the same time. Veterans as used herein shall mean persons who served in the Armed Forces of the United States during any war between the United States and any other nation, during the Korean conflict or the Vietnam era and who were discharged or released therefrom under conditions other than dishonorable."

Pub. L. 104-127, §635(a)(1), redesignated par. (4) as (5). 1994—Pars. (2) to (5). Pub. L. 103-354 redesignated pars. (3) to (5) as (2) to (4), respectively, and struck out former par. (2) relating to certification by county committee of applicant's eligibility for loan.

1992—Par. (2)(A)(iii). Pub. L. 102-554 substituted "5 years" for "2 years".

1991—Par. (2)(A). Pub. L. 102-237 redesignated cls. (1) to (3) as (i) to (iii), respectively.

1990—Pub. L. 101-624, §2388(e), redesignated pars. (a) to (e) as (1) to (5), respectively, and in par. (1) redesignated subpars. (1) and (2) as (A) and (B), respectively; in par. (2) redesignated subpars. (1) and (2) as (A) and (B), respectively, and in subpar. (A) redesignated cls. (A) to (C) as (1) to (3), respectively; in par. (3) made technical amendments to references to sections 1934 and 1922 of this title involving original act and requiring no change in text; and in par. (5) made technical amendments to reference to subchapter I or II of this chapter involving original act and requiring no change in text.

Pub. L. 101-624, §1810, amended par. (b) generally. Prior to amendment, par. (b) read as follows: "except for loans under sections 1926, 1932, 1944 and 1961(a)(2) of this title, the county committee to certify in writing that the applicant meets the eligibility requirements for the loan, and has the character, industry, and ability to carry out the proposed operations, and will, in the opinion of the committee, honestly endeavor to carry out his undertakings and obligations; and for loans under section 1961(a)(2) of this title, the Secretary shall require the recommendation of the county committee as to the making or insuring of the loan: *Provided*, That the Secretary may provide a procedure for appeal and review of any determination relating to a certification or recommendation required to be made by the county committee, and for reversal or modification thereof should the facts warrant such action:"

1981—Par. (a). Pub. L. 97-98 designated existing provisions after "the applicant" as cl. (1), and added cl. (2).

1980—Par. (b). Pub. L. 96-438 substituted "section 1961(a)(2)" for "section 1961(b)(2)" in two places.

1978—Par. (b). Pub. L. 95-334, §123(1), inserted proviso relating to appeal and review procedure for any determination regarding a certification, etc.

Par. (c). Pub. L. 95-334, §123(2), (3), inserted provisions excepting guaranteed loans and provisions relating to borrowers under section 1934 of this title obtaining loans under section 1922 of this title.

1972—Par. (a). Pub. L. 92-419, §125, inserted ", and the Secretary shall determine," after "in writing".

Par. (b). Pub. L. 92-419, §§118(b), 126, inserted reference to section 1932 of this title and substituted "section 1961(b)(2) of this title" for "said sections", respectively.

1970—Pub. L. 91-620 included persons who served during the Vietnam era within the definition of "Veterans" in par. (e).

1968—Par. (b). Pub. L. 90-488 struck out "farming" from phrase "proposed farming operations".

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(3) of Pub. L. 102-237, set out as a note under section 1421 of this title.

##### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97-98, set out as an Effective Date note under section 4301 of this title.

#### § 1983a. Prompt approval of loans and loan guarantees

##### (a) Applications; time for action by Secretary; notice; statement of reasons

(1) The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this chapter, and notify the applicant of such action, not later than 60 days after the Secretary has received a complete application for such loan or loan guarantee.

(2)(A) If an application for a loan or loan guarantee under this chapter (other than under subchapter II) is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete not later than 20 days after the Secretary has received such application.

(B)(i) Not later than 10 calendar days after the Secretary receives an application for an operating loan or loan guarantee under subchapter II, the Secretary shall notify the applicant of any information required before a decision may be made on the application. On receipt of an application, the Secretary shall request from other parties such information as may be needed in connection with the application.

(ii) Not later than 15 calendar days after the date an agency of the Department of Agriculture receives a request for information made pursuant to clause (i), the agency shall provide the Secretary with the requested information.

(iii) If, not later than 20 calendar days after the date a request is made pursuant to clause (i) with respect to an application, the Secretary has not received the information requested, the Secretary shall notify the applicant and the district office of the Farmers Home Administration, in writing, of the outstanding information.

(iv) A county office shall notify the district office of the Farmers Home Administration of each application for an operating loan or loan guarantee under subchapter II that is pending more than 45 days after receipt, and the reasons the application is pending.

(v) A district office that receives a notice provided under clause (iv) with respect to an application shall immediately take steps to ensure that final action is taken on the application not later than 15 days after the date of the receipt of the notice.

(vi) The district office shall report to the State office of the Farmers Home Administration on each application for an operating loan or loan guarantee under subchapter II that is pending more than 45 days after receipt by the county committee, and the reasons the application is pending.

(vii) Each month, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on a State-by-State basis, as to each application for an operating loan or loan guarantee under subchapter II of this chapter on which final action had not been taken within 60 calendar days after receipt by the Secretary, and the reasons final action had not been taken.