

105TH CONGRESS
2D SESSION

S. 1975

To broaden eligibility for emergency loans under the Consolidated Farm and Rural Development Act.

IN THE SENATE OF THE UNITED STATES

APRIL 23, 1998

Mr. COVERDELL introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To broaden eligibility for emergency loans under the Consolidated Farm and Rural Development Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farmers Emergency
5 Loan Reform Act of 1998”.

6 **SEC. 2. BROADENING OF ELIGIBILITY FOR EMERGENCY**
7 **LOANS.**

8 (a) **ELIMINATION OF CREDIT ELSEWHERE TEST.**—

9 (1) **IN GENERAL.**—Section 321(a) of such Act
10 (7 U.S.C. 1961(a)) is amended in the 1st sentence

1 by striking “and are not able to obtain sufficient
2 credit elsewhere”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 321(d) of such Act (7 U.S.C.
5 1961(d)) is amended—

6 (i) by striking “—” and all that fol-
7 lows through “(1)”; and

8 (ii) by striking the semicolon and all
9 that follows through “periods of time”.

10 (B) Section 322 of such Act (7 U.S.C.
11 1962) is amended by striking subsection (b).

12 (b) APPLICABILITY OF DISASTER LOAN COLLATERAL
13 REQUIREMENTS UNDER THE SMALL BUSINESS ACT.—
14 Section 322 of such Act (7 U.S.C. 1962) is amended by
15 adding at the end the following:

16 “(b) The collateral requirements for disaster loans
17 under section 7(b) of the Small Business Act shall apply
18 to loans under this subtitle in lieu of any other collateral
19 requirements.”.

20 (c) EFFECT OF PRIOR FORGIVENESS OF LOANS.—

21 Section 373(b)(2) of such Act (7 U.S.C. 2008h(b)(2)) is
22 amended by adding at the end the following: “The Sec-
23 retary may make an emergency loan under section 321
24 to a borrower who has received not more than one debt
25 forgiveness on a loan made or guaranteed under this title,

1 if that debt forgiveness was in the form of a restructuring,
2 write-down, or net recovery buy-out that is due to a finan-
3 cial problem of the borrower relating to a natural disaster
4 or a medical condition of the borrower or a member of
5 the immediate family of the borrower (or in the case of
6 a borrower that is an entity, a principal owner of the bor-
7 rower or a member of the immediate family of such an
8 owner).”.

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