

106TH CONGRESS
1ST SESSION

S. 961

To amend the Consolidated Farm and Rural Development Act to improve shared appreciation arrangements.

IN THE SENATE OF THE UNITED STATES

MAY 5, 1999

Mr. BURNS (for himself, Mr. CRAIG, Mr. BAUCUS, Mr. DASCHLE, Mr. KERREY, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Consolidated Farm and Rural Development Act to improve shared appreciation arrangements.

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. SHARED APPRECIATION ARRANGEMENTS.**

4 (a) IN GENERAL.—Section 353(e) of the Consoli-
5 dated Farm and Rural Development Act (7 U.S.C.
6 2001(e)) is amended by striking paragraph (2) and insert-
7 ing the following:

1 “(2) TERMS.—A shared appreciation agreement
2 entered into by a borrower under this subsection
3 shall—

4 “(A) have a term not to exceed 10 years;

5 “(B) provide for recapture based on the
6 difference between—

7 “(i) the appraised value of the real se-
8 curity property at the time of restruc-
9 turing; and

10 “(ii) that value at the time of recap-
11 ture, except that that value shall not in-
12 clude the value of any capital improve-
13 ments made to the real security property
14 by the borrower; and

15 “(C) be based on appraisals that are con-
16 ducted by persons with a principal place of
17 business that is located in the State containing
18 the real property.”.

19 (b) APPLICATION.—The amendment made by sub-
20 section (a) shall apply to a shared appreciation arrange-
21 ment entered into under section 353(e) of the Consoli-
22 dated Farm and Rural Development Act (7 U.S.C.
23 2001(e)) that is in effect on or after the date of enactment
24 of this Act.

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