

by adding a definition of "entity" to read as follows:

§ 1943.4 Definitions.

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Entity. Cooperative, corporation, partnership, joint operation, trust, or limited liability company.

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28. Amend § 1943.6 by revising paragraph (c) to read as follows:

§ 1943.6 Credit elsewhere.

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(c) Property and interests in property owned and income received by an individual applicant, or an entity applicant and all of its members as individuals, will be considered and used by an applicant in obtaining credit from other sources.

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29. Amend § 1943.12 by:

- a. Removing paragraphs (a)(4) and (a)(5);
- b. Redesignating (a)(6) through (a)(11) as (a)(4) through (a)(9) respectively;
- c. Removing paragraphs (b)(4)(iii) and (b)(4)(iv);
- d. Redesignating paragraphs (b)(4)(v) and (b)(4)(vi) as (b)(4)(iii) and (b)(4)(iv); and
- e. Revising paragraphs (b)(5)(i), (b)(6)(i) and (b)(7) to read as follows:

§ 1943.12 Farm ownership loan eligibility requirements.

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- (b) * * *
- (5) * * *

(i) The requirements of paragraphs (b)(4)(i), (ii) and (iv) of this section must be met.

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- (6) * * *

(i) The requirements of paragraphs (b)(4)(i), (ii) and (iv) of this section must be met by the entity applicant and all its members.

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(7) If each member's ownership interest does not exceed the family farm definition limits, their collective interests can exceed the family farm definition limits only if:

- (i) All of the members of the entity are related by blood or marriage,
- (ii) All of the members are or will be operators of the entity, and
- (iii) The majority interest holders of the entity meet the requirements of paragraphs (b)(4)(i), (ii) and (iv) of this section.

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30. Amend § 1943.14 by revising paragraphs (c), (d)(4) and (e)(2)(i) to read as follows:

§ 1943.14 Downpayment FO loan program for beginning farmers or ranchers.

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(c) *Loan purposes.* Loans may be made to provide an amount equal to 40 percent of the purchase price or appraised value, whichever is lower, of the farm or ranch to be acquired, unless the applicant requests a lesser amount. The remaining balance of the purchase price or appraised value, whichever is lower, not to exceed 50 percent, may be guaranteed by the Agency.

(d) * * *

(4) The other financing for the balance of the purchase price is amortized for less than 30 years and/or a balloon payment is scheduled within the 15 years of the Agency loan.

(e) * * *

(2) *Terms of loans.* (i) Each loan made under this section shall be amortized over a period of 15 years or less, at the option of the borrower.

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31. Amend § 1943.16 by adding a new paragraph (e) to read as follows:

§ 1943.16 Loan purposes.

* * * * *

(e) Refinance a bridge loan if the following conditions are met:

- (1) The applicant obtained the loan to be refinanced to purchase a farm after a direct FO was approved;
- (2) Direct FO funds were not available to fund the loan at the time of approval;
- (3) The loan to be refinanced is temporary financing; and
- (4) The loan was made by a commercial or cooperative lender.

32. Amend § 1943.38 by removing the words "Cooperatives or corporations" from paragraph (g)(3)(ii) and adding in their place the word "Entities," and by removing paragraph (g)(3)(iii).

PART 1951—SERVICING AND COLLECTIONS

33. The authority citation for part 1951 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1932 Note; 7 U.S.C. 1989; 31 U.S.C. 3716; 42 U.S.C. 1480.

Subpart J—Management and Collection of Nonprogram (NP) Loans

34. Amend § 1951.463 by removing and reserving paragraph (e).

Subpart S—Farm Loan Programs Account Servicing Policies

35. Amend § 1951.903 by removing the words "recommended by the County Committee (except where the debt has been discharged through bankruptcy),"

from the second sentence of paragraph (b).

36. Amend § 1951.909 by:

- a. Revising paragraphs (a)(3), (e)(1)(xii), and (e)(2)(viii);
- b. Redesignating paragraph (e)(2)(ix) as (e)(2)(x);
- c. Adding new paragraph (e)(2)(ix);
- d. Revising paragraph (i)(2)(i).

The revised and added text reads as follows:

§ 1951.909 Processing primary loan service programs requests.

(a) * * *

(3) If a completed application includes a request for a waiver from the training required by paragraph (c)(5) of this section, the Agency will, prior to any offer of Primary Loan Servicing, evaluate the borrower's knowledge and ability in production and financial management and determine the need for additional training as set out in § 1924.74 of this chapter.

* * * * *

- (e) * * *
- (1) * * *

(xii) Interest rates of consolidated and/or rescheduled loans will be as follows:

(A) The interest rate for loans made at the regular interest rate will be the lesser of:

- (1) The lowest interest rate for that type of loan on the date a complete servicing application was received;
- (2) The lowest interest rate for that type of loan on the date of restructure;

or

- (3) The lowest original loan note rate on any of the original notes being consolidated and/or rescheduled.

(B) The interest rate for loans made at the limited resource interest rate will be the lesser of:

- (1) The limited resource interest rate for that type of loan on the date a complete servicing application was received;
- (2) The limited resource interest rate for that type of loan on the date of restructure; or

- (3) The lowest original loan note rate on any of the original notes being consolidated and/or rescheduled.

(C) OL loans that were not assigned a limited resource rate when the loan was received, may be assigned a limited resource rate if:

- (1) The borrower meets the requirements for the limited resource interest rate; and
- (2) A feasible plan cannot be developed at regular interest rates and maximum terms permitted in this section.

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(2) A feasible plan cannot be developed at regular interest rates and maximum terms permitted in this section.

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