

THE DEPARTMENT OF AGRICULTURE FOR THE PURPOSE OF MAKING LOANS AT A PREFERRED RATE OF INTEREST TO ALLOW FARMERS TO REBUILD, REPAIR, OR RECOVER THEIR FARMLANDS, BUILDINGS, CROPS, OR LIVESTOCK DAMAGED OR DESTROYED BY A NATURAL DISASTER. THE DEPARTMENT SHALL MANAGE AND SUPERVISE THE PROGRAM.

2-602. POWER TO MAKE LOANS.

(A) THE DEPARTMENT MAY MAKE LOANS UNDER THE FARMER DISASTER LOAN PROGRAM FROM FUNDS PROVIDED IN THE BUDGET.

(B) MONEY DERIVED FROM PAYMENT OF PRINCIPAL AND INTEREST ON THE LOANS SHALL BE USED BY THE DEPARTMENT, AS NEEDED, TO MAKE ADDITIONAL LOANS UNDER THE FARMER DISASTER LOAN PROGRAM. IF ANY MONEY DERIVED FROM THE PAYMENT OF PRINCIPAL AND INTEREST AS PROVIDED IN THIS SUBSECTION EXCEEDS \$200,000, THEN THAT EXCESS AMOUNT SHALL REVERT TO THE GENERAL FUND OF THIS STATE.

2-603. LOANS; ELIGIBILITY; SPOUSES; DEPARTMENTAL POWERS.

(A) (1) THE DEPARTMENT MAY MAKE DIRECT LOANS NOT EXCEEDING \$15,000 TO QUALIFYING FARMERS AT AN INTEREST RATE WHICH WILL MAKE THE PROGRAM SELF-SUPPORTING. IN ESTABLISHING THE INTEREST RATE FROM TIME TO TIME, THE DEPARTMENT SHALL TAKE INTO ACCOUNT ALL OF THE EXPENSES OF THE PROGRAM INCLUDING ADMINISTRATIVE EXPENSES OF THE PROGRAM, AND POSSIBLE LOSSES. THE INTEREST RATE MAY NOT EXCEED 1 PERCENT ABOVE THE COST OF THE LOANS TO THE STATE.

(2) THE DEPARTMENT MAY COLLECT A UNIFORM APPLICATION FEE, AND RETAIN FROM IT ANY AMOUNTS NOT EXPENDED FOR CREDIT REPORTS, APPRAISALS, AND OTHER EXPENSES OF PROCESSING LOAN APPLICATIONS.

(3) LOANS MADE UNDER THIS SUBTITLE SHALL BE SECURED BY A MORTGAGE OR LIEN ON THE PROPERTY PURCHASED AND ANY IMPROVEMENTS AND FIXTURES, CROPS, AND LIVESTOCK ON IT, OR WHATEVER THE SECRETARY OF AGRICULTURE MAY REQUIRE.

(B) (1) TO BE ELIGIBLE FOR A LOAN, AN APPLICANT SHALL MEET ALL OF THE FOLLOWING CONDITIONS OF ELIGIBILITY:

(I) THE GOVERNOR SHALL HAVE DECLARED A STATE OF EMERGENCY BECAUSE OF A NATURAL DISASTER MAKING THE APPLICANT'S FARM ELIGIBLE FOR AID;

(II) THE APPLICANT MUST HAVE BEEN THE ONE TO HAVE SUFFERED THE ACTUAL LOSS AS A RESULT OF THE NATURAL DISASTER;

(III) ~~THE APPLICANT MUST BE UNABLE TO QUALIFY~~ SHALL HAVE APPLIED FOR A FARM LOAN FROM ANY AGENCY OF THE FEDERAL GOVERNMENT; AND