

Senate Committee on Agriculture, Nutrition, and Forestry

TITLE V - CREDIT

The Senate Republican Farm Bill Framework for Title V ensures that federal farm loan programs utilized by agricultural borrowers keep pace with inflation. The Republican framework ensures that farmers have adequate and reliable financial resources needed to operate in today's environment by increasing loan limits for direct and guaranteed loans and it ensures that borrowers have increased and streamlined access to credit.

- **Increases loan limits for guaranteed operating loans** to \$3 million, **guaranteed ownership loans** to \$3.5 million, **direct operating loans** to \$750,000, **direct ownership loans** to \$850,000 and **microlans** to \$100,000.
- Modernizes the **inflation benchmark** for guaranteed ownership loans to more accurately track land values.
- Ensures the **Direct Farm Ownership Down Payment Program aligns with current loan limitations**, removing a financial barrier to young, beginning and historically disadvantaged farmers.
- Instructs USDA to **create a pathway for distressed borrowers** to refinance guaranteed loans to direct loans if certain conditions are met.
- Clarifies that the purchase of **precision agriculture equipment** is an eligible use under the **Conservation Loan Program**.
- Directs USDA to establish an express loan program to **speed delivery of guaranteed loans** that are less than \$1 million, guaranteed at 50% of the loan value.
- **Eliminates red tape** related to the transition of farm operations from one generation to the next.
- Reauthorizes the Heirs Property Relending Program and **dedicates additional resources toward resolving property ownership and succession on farmland** with multiple owner
- **Expands access to USDA programs to young and beginning farmers and ranchers** who have real-world experience or access to meaningful mentorships.
- Authorizes Farm Credit institutions to **engage in partnerships** with other lenders such as local community banks, to invest in projects that fund essential community facilities that provide childcare, healthcare, public safety and certain other services in rural and tribal communities.
- Places **fishing related businesses** in parity with businesses that support farmers, ranchers, and loggers in accessing the Farm Credit System if more than 50% of their revenue comes from the fishing industry.
- Provides **additional flexibility for financing agricultural exports**.
- **Increases liquidity and capital** for agriculture and rural infrastructure.

