

AGRICULTURAL DISASTER LOAN ORIGINATION PROGRAM ACT (EXCERPT)
Act 111 of 2018

286.433 Qualified agricultural loan origination program; establishment; requirements; use of work project funds appropriated.

Sec. 3.

- (1) The state treasurer may establish a qualified agricultural loan origination program as provided in this act.
- (2) The program shall meet all of the following:
 - (a) A person receiving a qualified agricultural loan shall pay an interest rate authorized under this act and established by the qualified financial institution.
 - (b) This state shall pay loan origination fees for administrative costs incurred by the qualified financial institution equal to 5% of the original principal amount of the loan. Loan origination fees may be paid by this state in equal installments over the term of the work project appropriation or in a lump-sum payment for the entire term of the work project appropriation.
- (3) A qualified agricultural loan shall comply with both of the following:
 - (a) Interest shall be set by the qualified financial institution at the rate of the 5-year United States treasury note plus 2.0%, unless otherwise provided in an appropriation act.
 - (b) The term of the loan shall not be more than 7 years, unless otherwise provided in an appropriation act.
- (4) A qualified agricultural loan described in section 2(h)(i)(A) shall be equal to not more than the value of the crop loss as certified by the producer in an affidavit demonstrating an accurate and valid qualified loss of production. The qualified agricultural loan shall not exceed the lesser of \$400,000.00 or the value of the qualified loss. If crop insurance was available for a particular crop and the producer did not purchase the crop insurance for that crop, the amount of the loan shall be reduced by 30% or reduced by \$100,000.00, whichever is less.
- (5) A qualified agricultural loan described in section 2(h)(i)(B) or (C) shall not exceed the lesser of the following:
 - (a) Eight hundred thousand dollars per facility.
 - (b) One million dollars per person applying for the loan.
- (6) From the work project funds appropriated by 2019 PA 45, a qualified financial institution shall make qualified agricultural loans after March 1, 2020 and before June 1, 2020. For any additional work project funds subsequently appropriated for this program, a qualified financial institution shall not make qualified agricultural loans before March 1 of the immediately succeeding calendar year or as otherwise provided in an appropriation act.

History: 2018, Act 111, Imd. Eff. Apr. 25, 2018 ;-- Am. 2020, Act 52, Imd. Eff. Mar. 3, 2020