

105TH CONGRESS
2D SESSION

S. 1774

To amend the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make guaranteed farm ownership loans and guaranteed farm operating loans of up to \$600,000, and to increase the maximum loan amounts with inflation.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 1998

Mr. LOTT (for himself and Mr. COCHRAN) 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 authorize the Secretary of Agriculture to make guaranteed farm ownership loans and guaranteed farm operating loans of up to \$600,000, and to increase the maximum loan amounts with inflation.

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. INCREASE IN MAXIMUM AMOUNT OF GUARAN-**
4 **TEED FARM OWNERSHIP LOANS; INDEXATION**
5 **TO INFLATION.**

6 Section 305 of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 1925) is amended—

1 (1) by striking “SEC. 305. The” and inserting:

2 **“SEC. 305. MAXIMUM AMOUNT OF FARM OWNERSHIP**
3 **LOANS.**

4 “(a) IN GENERAL.—The”;

5 (2) by striking “of (1) the” and inserting “of—
6 “(1) the”;

7 (3) by striking “security, or (2) in” and insert-
8 ing “security; or

9 “(2) in”;

10 (4) by striking “\$300,000” and inserting
11 “\$600,000 (increased, beginning with fiscal year
12 1998, by the inflation percentage applicable to the
13 fiscal year in which the loan is made or insured)”;

14 (5) by striking “In determining” and inserting
15 the following:

16 “(b) VALUE OF FARMS.—In determining”; and

17 (6) by adding at the end the following:

18 “(c) INFLATION PERCENTAGE.—For purposes of
19 subsection (a)(2), the inflation percentage applicable to a
20 fiscal year is the percentage (if any) by which—

21 “(1) the average of the Consumer Price Index
22 (as defined in section 1(f)(5) of the Internal Reve-
23 nue Code of 1986) for the 12-month period ending
24 on August 31 of the preceding fiscal year; exceeds

1 “(2) the average of the Consumer Price Index
2 for the 12-month period ending on August 31,
3 1996.”.

4 **SEC. 2. INCREASE IN MAXIMUM AMOUNT OF GUARANTEED**
5 **FARM OPERATING LOANS; INDEXATION TO**
6 **INFLATION.**

7 Section 313 of the Consolidated Farm and Rural De-
8 velopment Act (7 U.S.C. 1943) is amended—

9 (1) by striking “SEC. 313. The” and inserting:
10 **“SEC. 313. MAXIMUM AMOUNT OF FARM OPERATING**
11 **LOANS.**

12 “(a) IN GENERAL.—The”;

13 (2) by striking “subtitle (1) that” and inserting
14 “subtitle—

15 “(1) that”;

16 (3) by striking “\$400,000; or (2) for” and in-
17 serting “\$600,000 (increased, beginning with fiscal
18 year 1998, by the inflation percentage applicable to
19 the fiscal year in which the loan is made or insured);
20 or

21 “(2) for”; and

22 (4) by adding at the end the following:

23 “(b) INFLATION PERCENTAGE.—For purposes of
24 subsection (a)(1), the inflation percentage applicable to a
25 fiscal year is the percentage (if any) by which—

1 “(1) the average of the Consumer Price Index
2 (as defined in section 1(f)(5) of the Internal Reve-
3 nue Code of 1986) for the 12-month period ending
4 on August 31 of the preceding fiscal year; exceeds

5 “(2) the average of the Consumer Price Index
6 for the 12-month period ending on August 31,
7 1996.”.

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