

## Farm Service Agency, USDA

## § 762.101

farmers and socially disadvantaged farmers under the Downpayment loan program; and

(b) September 1 of each fiscal year the Agency will use available unsubsidized guaranteed OL loan funds to make approved direct FO loans to beginning farmers.

[72 FR 63285, Nov. 8, 2007, as amended at 73 FR 74345, Dec. 8, 2008. Redesignated at 75 FR 54013, Sept. 3, 2010]

### PART 762—GUARANTEED FARM LOANS

Sec.

- 762.1-762.100 [Reserved]
- 762.101 Introduction.
- 762.102 Abbreviations and definitions.
- 762.103 Full faith and credit.
- 762.104 Appeals.
- 762.105 Eligibility and substitution of lenders.
- 762.106 Preferred and certified lender programs.
- 762.107-762.109 [Reserved]
- 762.110 Loan application.
- 762.111-762.119 [Reserved]
- 762.120 Applicant eligibility.
- 762.121 Loan purposes.
- 762.122 Loan limitations.
- 762.123 Insurance and farm inspection requirements.
- 762.124 Interest rates, terms, charges, and fees.
- 762.125 Financial feasibility.
- 762.126 Security requirements.
- 762.127 Appraisal requirements.
- 762.128 Environmental and special laws.
- 762.129 Percent of guarantee and maximum loss.
- 762.130 Loan approval and issuing the guarantee.
- 762.131-762.139 [Reserved]
- 762.140 General servicing responsibilities.
- 762.141 Reporting requirements.
- 762.142 Servicing related to collateral.
- 762.143 Servicing distressed accounts.
- 762.144 Repurchase of guaranteed portion from a secondary market holder.
- 762.145 Restructuring guaranteed loans.
- 762.146 Other servicing procedures.
- 762.147 Servicing shared appreciation agreements.
- 762.148 Bankruptcy.
- 762.149 Liquidation.
- 762.150 Interest assistance program.
- 762.151-762.158 [Reserved]
- 762.159 Pledging of guarantee.
- 762.160 Assignment of guarantee.

AUTHORITY: 5 U.S.C. 301 and 7 U.S.C. 1989.

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EDITORIAL NOTE: Nomenclature changes to part 762 appear at 72 FR 63297, Nov. 8, 2007.

#### §§ 762.1-762.100 [Reserved]

#### § 762.101 Introduction.

(a) *Scope.* This subpart contains regulations governing Operating loans, Farm Ownership loans, and Conservation loans guaranteed by the Agency. This subpart applies to lenders, holders, borrowers, Agency personnel, and other parties involved in making, guaranteeing, holding, servicing, or liquidating such loans.

(b) *Lender list.* The Agency maintains a current list of lenders who express a desire to participate in the guaranteed loan program. This list is made available to farmers upon request.

(c) *Lender classification.* Lenders who participate in the Agency guaranteed loan program will be classified into one of the following categories:

(1) Standard Eligible Lender under § 762.105;

(2) Certified Lender, or

(3) Preferred Lender under § 762.106.

(d) *Type of guarantee.* Guarantees are available for both a loan note or a line of credit. A loan note is used for a loan of fixed amount and term. A line of credit has a fixed term, but no fixed amount. The principal amount outstanding at any time, however, may not exceed the line of credit ceiling contained in the contract. Both guarantees are evidenced by the same loan guarantee form.

(e) *Termination of loan guarantee.* The loan guarantee will automatically terminate as follows:

(1) Upon full payment of the guaranteed loan. A zero balance within the period authorized for advances on a line of credit will not terminate the guarantee;

(2) Upon payment of a final loss claim; or

(3) Upon written notice from the lender to the Agency that a guarantee is no longer desired provided the lender holds all of the guaranteed portion of