

CHAPTER 6-09.9

FAMILY FARM SURVIVAL ACT

6-09.9-01. Short title. This chapter may be known as the Family Farm Survival Act of 1985.

6-09.9-02. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Farmer" means a resident of this state who owns or operates an existing farm or ranch operation, and has a debt-to-asset ratio of fifty percent or greater or a net worth of less than an amount determined by the Bank of North Dakota. The industrial commission may adopt additional eligibility criteria in determining who is a farmer eligible for loans under this chapter.
2. "Operating loan" means a loan or extension of credit with a term of one year or less made by a nongovernmental financial institution to a farmer for the operation of an existing farm or ranch operation. An operating loan includes a farmers home administration subordinated operating loan and guaranteed operating loan and may be further defined by rule of the industrial commission.

6-09.9-03. Operating loans - Participation by the Bank of North Dakota.

1. The Bank of North Dakota shall make available an appropriate amount of funds to purchase participation interests in operating loans to farmers. Interest charged on a participation interest purchased by the Bank under this section may not exceed one percent less than the Bank's base rate, as it may be established from time to time. The Bank may charge necessary and reasonable fees as determined by the industrial commission.
2. The amount of a participation interest purchased by the Bank under this section may not be greater than sixty-five percent of the loan amount or an amount determined by the Bank, whichever is less. The term of any participation interest purchased under this section may not exceed one year.
3. The Bank and the originating financial institution shall determine whether a borrower must obtain insurance on property pledged as security for a loan under this chapter.

6-09.9-04. Participation loans by private financial institutions.

1. The industrial commission may adopt rules relating to the maximum rate of interest charged on the portion of the operating loan retained by a participating financial institution.
2. All participation interests purchased are subject to the review and approval of the Bank.

6-09.9-05. Interest buydown.

1. There is hereby established an interest rate buydown fund to be maintained by the industrial commission at the Bank of North Dakota.
2. The industrial commission may buy down or reduce the interest paid by a farmer or agribusiness on the Bank's portion of the participation operating loans by up to an additional five percentage points a year below the amount provided in section 6-09.9-03.

3. Any interest buydown provided under this section must be repaid by the farmer or agribusiness not later than July 1, 1991, under terms approved by the Bank of North Dakota and pursuant to rules adopted by the industrial commission. Money collected under this subsection must be deposited in the fire and tornado fund in the state treasury.

6-09.9-06. Agribusinesses. Repealed by S.L. 1989, ch. 117, § 4; S.L. 1989, ch. 110, § 11.

6-09.9-07. Rules. The industrial commission may adopt such rules and guidelines as are necessary to implement sections 6-09.9-01 through 6-09.9-05.