

118TH CONGRESS
2D SESSION

S. 5338

To amend the Consolidated Farm and Rural Development Act to modify the experience requirement for direct farm ownership loans, eliminate the 10-year limitation on direct farm ownership loans, allow direct loans to be used for refinancing indebtedness, increase the lifetime limitation on debt forgiveness per borrower, and provide flexibility with respect to loan fund set asides for beginning farmers and ranchers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2024

Mr. WELCH introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Debt Relief and Farm
3 Credit Access Act”.

4 **SEC. 2. PERSONS ELIGIBLE FOR DIRECT FARM OWNERSHIP**
5 **LOANS.**

6 Section 302(b) of the Consolidated Farm and Rural
7 Development Act (7 U.S.C. 1922(b)) is amended—

8 (1) by striking paragraph (1) and inserting the
9 following:

10 “(1) IN GENERAL.—The Secretary may make a
11 direct loan under this subtitle only to a farmer or
12 rancher who has at least 1 year of experience sub-
13 stantially participating in the management and busi-
14 ness operations of a farm or ranch, as determined
15 by the Secretary.”; and

16 (2) by striking paragraphs (3) and (4) and in-
17 serting the following:

18 “(3) WAIVER AUTHORITY.—In the case of a
19 qualified beginning farmer or rancher, the Secretary
20 may waive the 1-year requirement described in para-
21 graph (1) if the qualified beginning farmer or ranch-
22 er—

23 “(A) has an established relationship with
24 an individual who has experience in farming or
25 ranching, or with a local farm or ranch oper-
26 ator or organization, approved by the Secretary,

1 that is committed to mentoring the qualified be-
 2 ginning farmer or rancher; or

3 “(B) has other acceptable education or ex-
 4 perience for an appropriate period of time, as
 5 determined by the Secretary.”.

6 **SEC. 3. IMPROVEMENTS TO CERTAIN PROVISIONS OF THE**
 7 **CONSOLIDATED FARM AND RURAL DEVELOP-**
 8 **MENT ACT.**

9 (a) ALLOWED PURPOSES OF DIRECT LOANS.—Sec-
 10 tion 303(a)(1) of the Consolidated Farm and Rural Devel-
 11 opment Act (7 U.S.C. 1923(a)(1)) is amended by striking
 12 subparagraph (E) and inserting the following:

13 “(E) refinancing the indebtedness of the
 14 farmer or rancher, if the farmer or rancher—

15 “(i) has used a direct loan under this
 16 subtitle to refinance indebtedness not more
 17 than 4 times previously; and

18 “(ii) is refinancing a debt obtained
 19 from a creditor other than the Secretary.”.

20 (b) EFFECT OF PREFERRED LENDER CERTIFI-
 21 CATION.—Section 339(d)(4)(B) of the Consolidated Farm
 22 and Rural Development Act (7 U.S.C. 1989(d)(4)(B)) is
 23 amended—

24 (1) by striking “institutions to” and inserting
 25 the following: “institutions—

1 “(i) to”; and
 2 (2) in clause (i) (as so designated)—
 3 (A) by striking “subsection relating” and
 4 inserting “subsection, relating”;
 5 (B) by striking “worthiness, the” and in-
 6 serting “worthiness or the”; and
 7 (C) by striking “collection and liquidation
 8 of loans, and to” and inserting the following:
 9 “or collection of loans; and
 10 “(ii) to”.

11 (c) LIFETIME LIMITATION ON DEBT FORGIVENESS
 12 PER BORROWER.—Section 353(o) of the Consolidated
 13 Farm and Rural Development Act (7 U.S.C. 2001(o)) is
 14 amended by striking “\$300,000” and inserting
 15 “\$600,000”.

16 **SEC. 4. LOAN FUND SET-ASIDES FOR BEGINNING FARMERS**
 17 **AND RANCHERS.**

18 Section 346(b)(2) of the Consolidated Farm and
 19 Rural Development Act (7 U.S.C. 1994(b)(2)) is amend-
 20 ed—

21 (1) in subparagraph (A)—
 22 (A) in clause (i)(II), by inserting “, to the
 23 extent practicable” after “April 1 of the fiscal
 24 year”; and

1 (B) in clause (iii), by inserting “, to the
2 extent practicable” after “September 1 of the
3 fiscal year”; and

4 (2) in subparagraph (B)(iii), by inserting “, to
5 the extent practicable” after “April 1 of the fiscal
6 year”.

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