



CREDIT TITLE ISSUE BRIEF

The 2008 Farm Bill expanded provisions giving preference for loans and guarantees to beginning and socially disadvantaged farmers and ranchers, who often lack the credit and production history to obtain commercial loans. The bill also increased direct farm ownership and direct operating loan limitation amounts from \$200,000 to \$300,000.

Farm Ownership Loans

Farm Ownership Loans will provide direct or guaranteed loans for the purchase of family-sized farming operations to individuals who would be otherwise unable to obtain sufficient credit at reasonable rates.

Conservation Loans and Loan Guarantees

Conservation loans and loan guarantees will serve to cover outstanding costs for farmers and ranchers who participate in qualified conservation projects and are unable to otherwise obtain sufficient credit elsewhere on reasonable terms.

Down Payment Loan Program

The Down Payment Loan Program will provide loans for newly starting or socially disadvantaged farmers' and ranchers' down payment finances.

Beginning Farmer or Rancher and Socially Disadvantaged Farmer or Rancher Contract Land Sales Program

Under the Beginning Farmer and Rancher Program, federal loan guarantees will be made to retiring farmers who self-finance the sale of their land to beginning or socially disadvantaged farmers and ranchers.

Operating Loans

These operating loans will provide direct or guaranteed loans for operating expenses of family-sized farms or ranches for operators who otherwise would be unable to obtain sufficient credit elsewhere on reasonable terms.

Emergency Loans

These loans will provide emergency assistance to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or imposed quarantines.

Beginning Farmer and Rancher Individual Development Accounts Pilot Program

This program offers beginning farmers or ranchers matching-funds savings accounts to be used for specified farming-related expenses.