

HOUSE BILL NO. HB0017

Farm loans.

Sponsored by: Joint Agriculture, Public Lands and Water  
Resources Interim Committee

A BILL

for

1 AN ACT relating to farm loans by the state loan and  
2 investment board; increasing the maximum loan amount;  
3 providing for a reduced interest rate and collateral  
4 requirements under certain circumstances; and providing for  
5 an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 11-34-114, 11-34-115 and 11-34-117  
10 are amended to read:

11

12 **11-34-114. Limitation on loans; percentages of**  
13 **appraised value.**

14

15 No loan secured by a first mortgage shall exceed seventy  
16 percent (70%) of the appraised value of the land with the

1 necessary existing improvements, as ascertained and fixed  
2 by the board except as provided by W.S. 11-34-117. If a  
3 loan is secured by a second mortgage, the sum of the first  
4 and second mortgages shall not exceed eighty percent (80%)  
5 of the appraised value of the land and improvements and the  
6 balance due on the loans secured by the first or second  
7 mortgage shall not exceed ~~four hundred thousand dollars~~  
8 ~~(\$400,000.00)~~ six hundred thousand dollars (\$600,000.00).  
9 The appraisal shall be made by the state loan and  
10 investment board, with the advice of two (2) residents of  
11 the immediate locality in which the loan is being  
12 considered.

13

14 **11-34-115. Minimum and maximum amount of loans.**

15

16 The amount of loans to any one (1) borrower shall not be  
17 less than one thousand dollars (\$1,000.00) nor more than  
18 ~~four hundred thousand dollars (\$400,000.00)~~ six hundred  
19 thousand dollars (\$600,000.00) if all loans to the borrower  
20 are made for the purposes of purchasing farm lands or other  
21 purposes as defined by W.S. 11-34-109.

22

23 **11-34-117. Rates of interest.**

24

1       (a) The board may set rates of interest on all farm  
2 loans according to current interest rates but not less than  
3 four percent (4%) nor more than ten percent (10%) whether  
4 the money is loaned upon the amortization plan or  
5 otherwise.

6  
7       (b) Notwithstanding subsection (a) of this section, a  
8 farm loan to a beginning agriculture producer shall be the  
9 lowest of two percent (2%) below the lowest current rate  
10 established by the board under subsection (a) of this  
11 section or a rate of two percent (2%) less than the prime  
12 interest rate. This loan rate shall be fixed for a period  
13 of ten (10) years. At the end of the ten (10) year period  
14 the interest rate shall be the current rate for loans as  
15 established under subsection (a) of this section. The  
16 prime interest rate is the interest rate as posted in the  
17 Wall Street Journal on the date of the loan. The board  
18 shall determine the qualifications for a "beginning  
19 agriculture producer."

20  
21       (c) No loan secured by a first mortgage pursuant to  
22 subsection (b) of this section shall exceed eighty percent  
23 (80%) of the appraised value of the land with the necessary  
24 existing improvements, as ascertained and fixed by the

1 board provided that there are no other mortgages on the  
2 land or improvements.

3

4 (d) The total value of loans outstanding pursuant to  
5 subsection (b) of this section shall not exceed thirty  
6 million dollars (\$30,000,000.00).

7

8 **Section 2.** This act is effective July 1, 2002.

9

10 (END)