

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. _____

Farm loan program.

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

A BILL

for

1 AN ACT relating to the farm loan program; repealing the
2 drought assistance for breeding livestock; increasing loan
3 limits; modifying loan terms and conditions; making
4 conforming amendments; and providing for an effective date.

5

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

7

8 **Section 1.** W.S. 11-34-113 by creating a new
9 subsection (j), 11-34-114(a) and by creating a new
10 subsection (c), 11-34-115, 11-34-117(a), (c) and (d) are
11 amended to read:

12

13 **11-34-113. Terms and conditions of loans.**

14

1 (j) Notwithstanding the terms and conditions
2 specified in paragraph (a)(ii) of this section, the board
3 may make loans for the purpose of enhancing or restoring
4 livestock numbers in the state. Loans made under this
5 subsection shall be for a term not to exceed seven (7)
6 years.

7
8 **11-34-114. Limitation on loans; percentages of**
9 **appraised value.**

10
11 (a) No loan secured by a first mortgage shall exceed
12 seventy percent (70%) of the appraised value of the land
13 with the necessary existing improvements, as ascertained
14 and fixed by the board except as provided by W.S.
15 11-34-117. ~~and subsection (b) of this section.~~ If a loan is
16 secured by a second mortgage, the sum of the first and
17 second mortgages shall not exceed eighty percent (80%) of
18 the appraised value of the land and improvements and the
19 balance due on the loans secured by the first or second
20 mortgage shall not exceed ~~six hundred thousand dollars~~
21 ~~(\$600,000.00)~~ eight hundred thousand dollars (\$800,000.00).
22 The appraisal shall be made by the state loan and
23 investment board, with the advice of two (2) residents of

1 the immediate locality in which the loan is being
2 considered.

3
4 (c) No loan made pursuant to W.S. 11-34-113(j) shall
5 exceed seventy percent (70%) of the appraised value of the
6 security. Loans may be secured by a first or second
7 mortgage on the borrower's real estate as approved by the
8 board and shall be aggregated with all other loans for
9 purposes of determining compliance with the loan
10 percentages specified in subsection (a) of this section.

11
12 **11-34-115. Minimum and maximum amount of loans.**

13
14 The amount of loans to any one (1) borrower shall not be
15 less than ~~one thousand dollars (\$1,000.00)~~ ten thousand
16 dollars (\$10,000.00) nor more than ~~six hundred thousand~~
17 ~~dollars (\$600,000.00)~~ eight hundred thousand dollars
18 (\$800,000.00) if all loans to the borrower are made for the
19 purposes of purchasing farm lands or other purposes as
20 defined by W.S. 11-34-109(a)(i) through (iv). ~~In addition,~~
21 ~~a qualified borrower may borrow not more than two hundred~~
22 ~~thousand dollars (\$200,000.00) pursuant to W.S.~~
23 ~~11-34-113(h).~~

1 **11-34-117. Rates of interest; length of loan; amount.**

2

3 (a) The board may set rates of interest on all farm
4 loans according to current interest rates but not less than
5 four percent (4%) nor more than ten percent (10%) whether
6 the money is loaned upon the amortization plan or otherwise
7 except that loans pursuant to W.S. ~~11-34-113(h)~~
8 11-34-113(j) shall be loaned for a fixed period of up to
9 seven (7) years with a set interest rate ~~matching the~~
10 ~~overall market return rate earned during the prior fiscal~~
11 ~~year by the state treasurer on investable funds, excluding~~
12 ~~legislatively designated investments. If the borrower~~
13 ~~qualifies, at the end of the five (5) year period, the~~
14 ~~unpaid balance may be converted to a standard farm loan at~~
15 ~~the board approved interest rate for such loans at the time~~
16 ~~of the conversion~~ equal to seventy percent (70%) of the
17 lowest current rate set by the board for farm loans other
18 than loans under W.S. 11-34-113(j).

19

20 (c) The total value of loans outstanding pursuant to
21 subsection (b) of this section shall not exceed ~~seven~~
22 ~~million dollars (\$7,000,000.00)~~ ten percent (10%) of the
23 total amount of farm loan investment authorized by W.S.
24 11-34-129.

1

2 (d) The total value of loans outstanding pursuant to
3 W.S. ~~11-34-113(h)~~ 11-34-113(j) shall not exceed ~~fifty~~
4 ~~million dollars (\$50,000,000.00)~~ twenty percent (20%) of
5 the total amount of farm loan investment authorized by W.S.
6 11-34-129. The amount loaned to any one (1) borrower shall
7 not be more than ~~two hundred thousand dollars (\$200,000.00)~~
8 three hundred thousand dollars (\$300,000.00).

9

10 **Section 2.** W.S. 11-34-109(a)(v), 11-34-113(h) and
11 11-34-114(b) are repealed.

12

13 **Section 3.** This act is effective July 1, 2008.

14

15 (END)