

AGRICULTURAL DISASTER LOAN ORIGINATION PROGRAM ACT OF 2012 (EXCERPT)
Act 193 of 2012

***** 286.423 THIS SECTION IS REPEALED BY ACT 193 OF 2012 EFFECTIVE FEBRUARY 15, 2018

286.423 Qualified agricultural loan origination program; establishment; amount; limitation.

Sec. 3. (1) The state treasurer may establish a qualified agricultural loan origination program as provided in this act.

(2) The program shall meet all of the following:

(a) A qualified financial institution shall make qualified agricultural loans before March 31, 2013.

(b) A person receiving a qualified agricultural loan shall pay an interest rate authorized under this act and established by the qualified financial institution.

(c) This state shall pay loan origination fees for administrative costs incurred by the qualified financial institution equal to 5% of the original principal amount of the loan. Loan origination fees shall be paid by this state in 5 equal installments by September 30, 2017.

(3) A qualified agricultural loan shall comply with all of the following:

(a) Interest shall be set by the qualified financial institution at a rate of 1% or at the rate of the 5-year United States treasury note plus 1/4%.

(b) The term of the loan shall not be more than 5 years.

(c) The first principal payment required under the loan shall not occur before 24 months after the issuance of the loan.

(4) A qualified agricultural loan described in section 2(h)(i)(A) shall be equal to not more than the value of the crop loss as certified by the producer in an affidavit demonstrating an accurate and valid production loss. The qualified agricultural loan shall not exceed the lesser of \$400,000.00 or the value of the crop loss minus insurance proceeds received by the owner or operator as a result of the same crop loss. If crop insurance was available for a particular crop and the producer did not purchase the crop insurance for that crop, the amount of the loan shall be reduced by 30% or \$100,000.00, whichever is less.

(5) A qualified agricultural loan described in section 2(h)(i)(B) or (C) shall not exceed the lesser of the following:

(a) Eight hundred thousand dollars per facility.

(b) One million dollars per person applying for the loan.

History: 2012, Act 193, Imd. Eff. June 26, 2012.