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This act authorizes Minnesota Management and Budget (MMB) to borrow \$35,000,000 from the bond market and appropriates the proceeds to the Rural Finance Authority (RFA) to either purchase participating interests in loans issued by private lenders or to make direct loans to farmers under the RFA's Beginning Farmer, Loan Restructuring, Seller-Sponsored, Agricultural Improvement, and Livestock Expansion loan programs. It also authorizes borrowing an additional \$35,000 and appropriates the proceeds to MMB to cover the agency's bond-sale expenses.

Farmer payments of principle and interest under these RFA programs must be sufficient to pay the state's debt service on the \$35,000,000 in bonds sold, plus a reserve for potential losses.

This act is effective the day following final enactment, or February 18, 2017.

The RFA is the state's main agricultural lending arm. Although the RFA has legal authority to issue loans directly, it typically partners with private agricultural lenders to provide favorable financing opportunities for eligible farmers.