

HOUSE RESEARCH

Bill Summary

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Overview

This bill would extend the sunset date of the Farmer-Lender Mediation Act by four years, to June 30, 2017. If the sunset date is not modified, the law will expire on June 30th of this year.

First enacted in 1986 in response to a severe farm credit crisis, the Farmer-Lender Mediation Act requires a bank or other creditor to offer mediation to a farmer before enforcing a debt secured by agricultural property such as land, livestock, or crops. To qualify for mediation, the farmer's debt must exceed \$5,000. In addition, if the farmer owns or leases less than 60 acres, the farmer must have sold at least \$20,000 of agricultural products in the previous year. By law, University of Minnesota Extension coordinates the mediation process.