

**Subject** Farmer-Lender Mediation

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## Summary

This bill would modify the temporary Farmer-Lender Mediation provision that was enacted last month as part of a COVID-19 response act. That law further delays the enforcement of certain debts secured by agricultural property (e.g., foreclosing a mortgage) by extending the period for mediation between the farmer and lender from 90 to 150 days for those mediations that were in progress at the time of original enactment (April 16) and those mediations that were initiated by a farmer between April 17 and July 31, 2020 (Laws 2020, chapter 74, article 1, section 19).

H.F. 4599 would provide that the mediation period is extended to 150 days or until December 1, 2020, whichever is later. It would also expand eligibility to include farmers who initiate mediation under the Farmer-Lender Mediation Act in August of 2020. These changes would be effective retroactive to the original date of enactment of the COVID-19 law (i.e., April 16, 2020).

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 an eligible farmer before enforcing a debt against agricultural property such as land, livestock, or crops. Specifically, the act applies to foreclosure, repossession, cancellation of a contract for deed, and execution of a court order or judgment. The standard mediation period under the Farmer-Lender Mediation Act is 90 days (Minn. Stat. sec. 583.26, subd. 4, para. (b), clause (8)).