

**Subject** Farmer-Lender Mediation

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**Date** February 19, 2021

## Summary

Under current law, the Farmer-Lender Mediation Act will expire on June 30, 2022. As amended by the DE1 amendment, H.F. 80 would (1) extend the Act until 2027, (2) increase by 30 days (from 90 to 120) the period of time that creditors are prohibited from enforcing debts subject to the Act, and (3) increase the Act's mediation period limit from 60 to 90 days.

As amended, this bill would take effect the day following final enactment and apply both to mediations in effect on that date and mediations that begin after that date.

Background: First enacted in 1986 in response to a 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. § 583.26, subd. 4, para. (b), cl. (8)).