

Subject Farmer-lender mediation

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Summary

This bill would delay creditor enforcement of certain debts secured by agricultural property (e.g., foreclosing a farm mortgage) by extending the mediation period under the Farmer-Lender Mediation Act by 60 days (from 90 to 150) for mediations that are (1) in progress at the time of final enactment, or (2) initiated by an eligible farmer before an unspecified future date.

Background: In April of 2020, the 91st Legislature passed similar legislation that cited the emergency created by the COVID-19 pandemic and extended the mediation period from 90 to 150 days for mediations that were in progress when this law was enacted (April 16) or initiated by a farmer between April 17 and July 30, 2020 (Laws 2020, ch. 74, art. 1, § 19). In May the Legislature modified the April law, further extending the mediation period for the same eligible farmers to 150 days or until December 1, 2020, whichever is later, and expanding the eligibility window to include farmers who initiated mediation during the month of August (Laws 2020, ch. 97).

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)).