

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To require the Secretary of Agriculture to establish a pilot program to implement a pre-qualification or pre-approval process for farmers and ranchers with respect to a direct farm ownership loan under the Consolidated Farm and Rural Development Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. WELCH (for himself, Mr. HOEVEN, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To require the Secretary of Agriculture to establish a pilot program to implement a pre-qualification or pre-approval process for farmers and ranchers with respect to a direct farm ownership loan under the Consolidated Farm and Rural Development Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Farm Ownership Im-  
5       provement Act”.

1 **SEC. 2. DIRECT FARM OWNERSHIP LOAN PILOT PROGRAM.**

2 Subtitle D of the Consolidated Farm and Rural De-  
3 velopment Act is amended by inserting after section 374  
4 (7 U.S.C. 2008i) the following:

5 **“SEC. 375. DIRECT FARM OWNERSHIP LOAN PILOT PRO-**  
6 **GRAM.**

7 “(a) ESTABLISHMENT OF PILOT PROGRAM.—Not  
8 later than 2 years after the date of enactment of this Act,  
9 the Secretary shall establish a 5-year pilot program (re-  
10 ferred to in this section as the ‘pilot program’) to imple-  
11 ment a pre-qualification or pre-approval process for farm-  
12 ers and ranchers with respect to a direct farm ownership  
13 loan under subtitle A.

14 “(b) BORROWER VIABILITY AND REPAYMENT AS-  
15 SESSMENT.—In carrying out section 360(b) with respect  
16 to a participant in the pilot program, the Secretary, as  
17 the Secretary determines to be appropriate, may make use  
18 of alternative methods, including financial benchmarking,  
19 to reliably evaluate the financial viability of the participant  
20 and the likelihood of repayment of the applicable loan.

21 “(c) LIMITATION.—This section shall not be inter-  
22 preted to repeal any borrowing requirement imposed under  
23 subtitle A.

24 “(d) OUTREACH PRIORITY.—In conducting outreach  
25 relating to the pilot program, the Secretary shall prioritize

1 outreach to organizations that have demonstrated engage-  
2 ment with beginning farmers or ranchers.

3 “(e) EVALUATION AND REPORTS.—The Secretary  
4 shall—

5 “(1) evaluate the pilot program on an ongoing  
6 basis; and

7 “(2) annually submit to the Committee on Agri-  
8 culture, Nutrition, and Forestry of the Senate and  
9 the Committee on Agriculture of the House of Rep-  
10 resentatives a written report that includes—

11 “(A) a description of the performance out-  
12 comes of the pilot program, including stake-  
13 holder and participant evaluations, assessments,  
14 and participation demographics, that includes  
15 the information described in section  
16 5413(b)(1)(A)(iv) of the Agriculture Improve-  
17 ment Act of 2018 (7 U.S.C.  
18 2008x(b)(1)(A)(iv)); and

19 “(B) a recommendation as to the value of  
20 the pilot program, including whether to author-  
21 ize a permanent program modeled on the pilot  
22 program.”.