

ENROLLED ACT NO. 40, HOUSE OF REPRESENTATIVES

FIFTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2002 SPECIAL SESSION

AN ACT relating to farm loans by the state loan and investment board; increasing the maximum loan amount; providing for a different method of determining an interest rate; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 11-34-114, 11-34-115 and 11-34-117 are amended to read:

11-34-114. Limitation on loans; percentages of appraised value.

No loan secured by a first mortgage shall exceed seventy percent (70%) of the appraised value of the land with the necessary existing improvements, as ascertained and fixed by the board except as provided by W.S. 11-34-117. If a loan is secured by a second mortgage, the sum of the first and second mortgages shall not exceed eighty percent (80%) of the appraised value of the land and improvements and the balance due on the loans secured by the first or second mortgage shall not exceed ~~four hundred thousand dollars (\$400,000.00)~~ six hundred thousand dollars (\$600,000.00). The appraisal shall be made by the state loan and investment board, with the advice of two (2) residents of the immediate locality in which the loan is being considered.

11-34-115. Minimum and maximum amount of loans.

The amount of loans to any one (1) borrower shall not be less than one thousand dollars (\$1,000.00) nor more than ~~four hundred thousand dollars (\$400,000.00)~~ six hundred thousand dollars (\$600,000.00) if all loans to the borrower

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are made for the purposes of purchasing farm lands or other purposes as defined by W.S. 11-34-109.

11-34-117. Rates of interest.

(a) The board may set rates of interest on all farm loans according to current interest rates but not less than four percent (4%) nor more than ten percent (10%) whether the money is loaned upon the amortization plan or otherwise.

(b) A farm loan to a beginning agriculture producer shall be the lowest of eight per cent (8%) or the yield on a ten (10) year United States treasury bond. This loan rate shall be fixed for a period of ten (10) years. At the end of the ten (10) year period the interest rate shall be the current rate for loans as established under subsection (a) of this section.

(c) The total value of loans outstanding pursuant to subsection (b) of this section shall not exceed seven million dollars (\$7,000,000.00).

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Section 2. This act is effective July 1, 2002.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk