

HOUSE BILL NO. HB0017

Farm loans.

Sponsored by: Joint Agriculture, Public Lands and Water
Resources Interim Committee

A BILL

for

1 AN ACT relating to farm loans by the state loan and
2 investment board; increasing the maximum loan amount;
3 providing for a reduced interest rate and collateral
4 requirements under certain circumstances; and providing for
5 an effective date.

6

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

8

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

11

12 **11-34-114. Limitation on loans; percentages of**
13 **appraised value.**

14

15 No loan secured by a first mortgage shall exceed seventy
16 percent (70%) of the appraised value of the land with the

1 necessary existing improvements, as ascertained and fixed
2 by the board except as provided by W.S. 11-34-117. If a
3 loan is secured by a second mortgage, the sum of the first
4 and second mortgages shall not exceed eighty percent (80%)
5 of the appraised value of the land and improvements and the
6 balance due on the loans secured by the first or second
7 mortgage shall not exceed ~~four hundred thousand dollars~~
8 ~~(\$400,000.00)~~ six hundred thousand dollars (\$600,000.00).
9 The appraisal shall be made by the state loan and
10 investment board, with the advice of two (2) residents of
11 the immediate locality in which the loan is being
12 considered.

13

14 **11-34-115. Minimum and maximum amount of loans.**

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16 The amount of loans to any one (1) borrower shall not be
17 less than one thousand dollars (\$1,000.00) nor more than
18 ~~four hundred thousand dollars (\$400,000.00)~~ six hundred
19 thousand dollars (\$600,000.00) if all loans to the borrower
20 are made for the purposes of purchasing farm lands or other
21 purposes as defined by W.S. 11-34-109.

22

23 **11-34-117. Rates of interest.**

24

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

6
7 (b) A farm loan to a beginning agriculture producer
8 shall be the lowest of two percent (2%) below the lowest
9 current rate established by the board under subsection (a)
10 of this section or a rate of two percent (2%) less than the
11 prime interest rate. This loan rate shall be fixed for a
12 period of ten (10) years. At the end of the ten (10) year
13 period the interest rate shall be the current rate for
14 loans as established under subsection (a) of this section.
15 The prime interest rate is the interest rate as posted in
16 the Wall Street Journal on the date of the loan. The board
17 shall determine the qualifications for a "beginning
18 agriculture producer."

19
20 (c) No loan secured by a first mortgage pursuant to
21 subsection (b) of this section shall exceed eighty percent
22 (80%) of the appraised value of the land with the necessary
23 existing improvements, as ascertained and fixed by the

1 board provided that there are no other mortgages on the
2 land or improvements.

3

4 (d) The total value of loans outstanding pursuant to
5 subsection (b) of this section shall not exceed thirty
6 million dollars (\$30,000,000.00).

7

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

9

10

(END)