



Alcorn[®]

SOCIALLY DISADVANTAGED FARMERS
AND RANCHERS POLICY RESEARCH CENTER

Immediate Relief for Farm Loan Borrowers with At-Risk Agricultural Operations under the Inflation Reduction Act of 2022 (IRA) Section 22006

Introduction

The Secretary of Agriculture is provided \$3,100,000,000 to provide payments for the cost of loans or loan modifications with respect to distressed borrowers of direct or guaranteed loans administered by the Farm Service Agency (FSA). In implementing this section, the Secretary shall provide relief to those borrowers whose agricultural operations are at financial risk as expeditiously as possible as determined by the Secretary.

- 1) Distressed borrowers eligible for loan modifications should be defined in accordance with the definition of economically distressed borrowers in the House passed Build Back Better Act.**

- 2) Borrowers whose agricultural operations are at financial risk should be defined as:**
 - Borrowers who were 90 days or more delinquent with eligible farm loan or farm program debt as of August 16, 2022 (the date of signing of the Inflation Reduction Act of 2022).
 - Borrowers who were undergoing bankruptcy or foreclosure as of August 16, 2022.
 - Borrowers who had their farm loan restructured prior to August 16, 2022.
 - Borrowers who owe USDA more interest than principal as of August 16, 2022.

The amount of payments to be provided to borrowers whose agricultural operations are at financial risk should be the total amount of interest and principal due as of August 16, 2022, to be provided as expeditiously as possible.