

117TH CONGRESS
1ST SESSION

S. _____

To provide loan forgiveness for certain borrowers of Department of
Agriculture direct farm loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. GILLIBRAND introduced the following bill; which was read twice and
referred to the Committee on _____

A BILL

To provide loan forgiveness for certain borrowers of Depart-
ment of Agriculture direct farm loans, 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 “Relief for America’s
5 Small Farmers Act”.

6 **SEC. 2. DIRECT FARM LOAN FORGIVENESS.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE BORROWER.—The term “eligible
9 borrower” means a borrower of an eligible loan that
10 is actively engaged in farming (within the meaning

1 of section 1001A of the Food Security Act of 1985
2 (7 U.S.C. 1308–1)) with respect to a farming oper-
3 ation—

4 (A) for which the eligible loan was made;
5 and

6 (B) the average annual adjusted gross in-
7 come for the previous 5-year period of which is
8 not more than \$300,000.

9 (2) ELIGIBLE LOAN.—The term “eligible loan”
10 means a loan made before March 19, 2020, that
11 is—

12 (A) a direct farm ownership loan under
13 subtitle A of the Consolidated Farm and Rural
14 Development Act (7 U.S.C. 1922 et seq.);

15 (B) a direct operating loan under subtitle
16 B of the Consolidated Farm and Rural Devel-
17 opment Act (7 U.S.C. 1941 et seq.); or

18 (C) an emergency loan under subtitle C of
19 the Consolidated Farm and Rural Development
20 Act (7 U.S.C. 1961 et seq.).

21 (3) SECRETARY.—The term “Secretary” means
22 the Secretary of Agriculture.

23 (b) LOAN FORGIVENESS.—

24 (1) IN GENERAL.—Not later than 1 year after
25 the date on which the Secretary receives an applica-

1 tion under paragraph (2), subject to paragraphs (3)
2 and (4), the Secretary shall cancel the obligation to
3 repay the balance of principal and interest due as of
4 the date of enactment of this Act on an eligible loan
5 for the eligible borrower.

6 (2) APPLICATIONS.—To be eligible for cancella-
7 tion under paragraph (1), not later than 1 year after
8 the date of enactment of this Act, an eligible bor-
9 rower shall submit to the Secretary an application,
10 which shall cover all eligible loans for which the eli-
11 gible borrower is seeking cancellation.

12 (3) LIMITATIONS.—The total amount cancelled
13 under paragraph (1) with respect to a farming oper-
14 ation shall be not more than \$250,000.

15 (4) CONDITION.—The cancellation of an obliga-
16 tion under paragraph (1) shall be subject to the con-
17 dition that the applicable eligible borrower shall con-
18 tinue to be actively engaged in farming (within the
19 meaning of section 1001A of the Food Security Act
20 of 1985 (7 U.S.C. 1308–1)) for the 2-year period
21 beginning on the date on which the Secretary can-
22 cels the obligation under that paragraph.

23 (c) EFFECT.—An eligible borrower that receives can-
24 cellation of an obligation with respect to an eligible loan
25 under subsection (b)(1) shall not be determined to be ineli-

1 gible for any loan under subtitle A, B, or C of the Consoli-
2 dated Farm and Rural Development Act (7 U.S.C. 1922
3 et seq.) because of that cancellation.

4 (d) TAXABILITY.—For purposes of the Internal Rev-
5 enue Code of 1986, any amount which (but for this sub-
6 section) would be includible in gross income of the eligible
7 borrower by reason of forgiveness described in subsection
8 (b) shall be excluded from gross income.

9 (e) EMERGENCY FUNDING.—

10 (1) IN GENERAL.—Out of amounts in the
11 Treasury not otherwise appropriated, the Secretary
12 of the Treasury shall transfer to the Secretary
13 \$10,000,000,000 to provide loan forgiveness under
14 subsection (b), to remain available until expended.

15 (2) RECEIPT AND ACCEPTANCE.—The Sec-
16 retary shall be entitled to receive, shall accept, and
17 shall use to provide loan forgiveness under sub-
18 section (b) the amount transferred under paragraph
19 (1), without further appropriation.

20 (3) EMERGENCY DESIGNATION.—

21 (A) IN GENERAL.—The amounts provided
22 by this subsection are designated as an emer-
23 gency requirement pursuant to section 4(g) of
24 the Statutory Pay-As-You-Go Act of 2010 (2
25 U.S.C. 933(g)).

1 (B) DESIGNATION IN SENATE.—In the
2 Senate, this subsection is designated as an
3 emergency requirement pursuant to section
4 4112(a) of H. Con. Res. 71 (115th Congress),
5 the concurrent resolution on the budget for fis-
6 cal year 2018.