RESTRUCTURING FARMERS ELIGIBLE FOR RELIEF FROM LOAN FEES

COVID-19 relief funds available to help farmers restructuring debt

July 20, 2020

Eligible farmers restructuring their debt can get half of the loan guarantee fees on USDA Farm Service Agency (FSA) restructuring loans (https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index) covered through a new Minnesota Department of Agriculture (MDA) program, paid for through federal COVID-19 funding.

The Minnesota Legislature appropriated $175,000 in COVID-19 relief this spring toward a grant program that covers 50 percent of loan guarantee fees for FSA loans to restructure farmers' debt. Loan fees are 1.5 percent of the loan value and average $3,000-$5,000 in total.

"This program is aimed at helping farmers most affected by the COVID-19 pandemic," Commissioner Thom Petersen said. "We want to help more farmers get successfully through the mediation process."

Farmers currently in mediation will receive first priority for the program funds. Applications will be accepted now through December 1, 2020.

To be eligible, farmers must have closed on an FSA restructure loan between May 28, 2020 and December 15, 2020 and be in mediation or have recently received a mediation notice. They must be residents of Minnesota who regularly participate in the labor or operation of their farm and have a net worth of $800,000 or less.

For more information about how to apply and the application, visit the RFA's Farm Loan Guarantee Fee Grant Program web page (/farm-loan-guarantee-fee-grant-program).

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