

TITLE 7 - AGRICULTURE
CHAPTER 50 - AGRICULTURAL CREDIT
SUBCHAPTER IV - ADMINISTRATIVE PROVISIONS

§ 1981b. Farm loan interest rates

Any loan for farm ownership purposes under subchapter I of this chapter, farm operating purposes under subchapter II of this chapter, or disaster emergency purposes under subchapter III of this chapter, other than a guaranteed loan, that is deferred, consolidated, rescheduled, or reamortized under this chapter shall, notwithstanding any other provision of this chapter, bear interest on the balance of the original loan and for the term of the original loan at a rate that is the lowest of—

- (1) the rate of interest on the original loan;
- (2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or
- (3) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time of the deferral, consolidation, rescheduling, or reamortization.

(Pub. L. 87–128, title III, § 331B, as added Pub. L. 98–258, title VI, § 605, Apr. 10, 1984, 98 Stat. 139; amended Pub. L. 107–171, title V, § 5305, May 13, 2002, 116 Stat. 345.)

References in Text

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

Amendments

2002—Pub. L. 107–171 substituted “lowest of—” for “lower of”, realigned margins for pars., substituted “original loan;” for “original loan or (2) the”, added par. (2), and redesignated former par. (2) as (3).

Adjustment of Interest Rates

Pub. L. 100–71, title I, July 11, 1987, 101 Stat. 428, provided that: “The Secretary may adjust interest rates on existing nonsubsidized loans if he determines such interest rates are excessive in relation to prevailing commercial rates for comparable loans: Provided, That such rate adjustments shall constitute a change in the loan agreement and not a new loan.”