

7 USC Ch. 82: STATE AGRICULTURAL LOAN MEDIATION PROGRAMS

From Title 7—AGRICULTURE

CHAPTER 82—STATE AGRICULTURAL LOAN MEDIATION PROGRAMS

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§5101. Qualifying States

(a) In general

A State is a qualifying State if the Secretary of Agriculture (hereinafter in this chapter referred to as the "Secretary") determines that the State has in effect a mediation program that meets the requirements of subsection (c).

(b) Determination by Secretary

Within 15 days after the Secretary receives from the Governor of a State a description of the mediation program of the State and a statement certifying that the State has met all of the requirements of subsection (c), the Secretary shall determine whether the State is a qualifying State.

(c) Requirements of State mediation programs

(1) Issues covered

(A) In general

To be certified as a qualifying State, the mediation program of the State must provide mediation services to persons described in paragraph (2) that are involved in agricultural loans (regardless of whether the loans are made or guaranteed by the Secretary or made by a third party).

(B) Other issues

The mediation program of a qualifying State may provide mediation services to persons described in paragraph (2) that are involved in one or more of the following issues:

- (i) Wetlands determinations.
- (ii) Compliance with farm programs, including conservation programs and the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).
- (iii) Agricultural credit.
- (iv) Rural water loan programs.
- (v) Grazing on National Forest System land.
- (vi) Pesticides.
- (vii) Lease issues, including land leases and equipment leases.
- (viii) Family farm transition.
- (ix) Farmer-neighbor disputes.
- (x) Such other issues as the Secretary or the head of the department of agriculture of each participating State considers appropriate for better serving the agricultural community and persons eligible for mediation.

(C) Mediation services

Funding provided for the mediation program of a qualifying State may also be used to provide credit counseling to persons described in paragraph (2)—

- (i) prior to the initiation of any mediation involving the Department of Agriculture; or
- (ii) unrelated to any ongoing dispute or mediation in which the Department of Agriculture is a party.

(2) Persons eligible for mediation

(A) In general

Subject to subparagraph (B), the persons referred to in paragraph (1) include—

- (i) agricultural producers;
- (ii) creditors of producers (as applicable);
- (iii) persons directly affected by actions of the Department of Agriculture; and
- (iv) any other persons involved in an issue for which mediation services are provided by a mediation program described in paragraph (1)(B).

(B) Voluntary participation

(i) In general

Subject to clause (ii) and section 5103 of this title, a person may not be compelled to participate in mediation services provided under this Act.

(ii) State laws

Clause (i) shall not affect a State law requiring mediation before foreclosure on agricultural land or property.

(3) Certification conditions

The Secretary shall certify a State as a qualifying State with respect to the issues proposed to be covered by the mediation program of the State if the mediation program—

(A) provides for mediation services that, if decisions are reached, result in mediated, mutually agreeable decisions between the parties to the mediation;

(B) is authorized or administered by an agency of the State government or by the Governor of the State;

(C) provides for the training of mediators;

(D) provides that the mediation sessions shall be confidential;

(E) ensures, in the case of agricultural loans, that all lenders and borrowers of agricultural loans receive adequate notification of the mediation program; and

(F) ensures, in the case of other issues covered by the mediation program, that—

(i) the Department of Agriculture receives adequate notification of those issues; and

(ii) persons directly affected by actions of the Department of Agriculture receive adequate notification of the mediation program.

(d) Definition of mediation services

In this section, the term "mediation services", with respect to mediation or a request for mediation, may include all activities related to—

(1) the intake and scheduling of cases;

(2) the provision of background and selected information regarding the mediation process;

(3) financial advisory and counseling services (as appropriate) performed by a person other than a State mediation program mediator; and

(4) the mediation session.

(Pub. L. 100–233, title V, §501, Jan. 6, 1988, 101 Stat. 1662; Pub. L. 100–399, title V, §501, Aug. 17, 1988, 102 Stat. 1005; Pub. L. 103–354, title II, §282(a), Oct. 13, 1994, 108 Stat. 3233; Pub. L. 106–472, title III, §306(a), Nov. 9, 2000, 114 Stat. 2072; Pub. L. 115–334, title V, §5402(a), Dec. 20, 2018, 132 Stat. 4674.)

EDITORIAL NOTES

REFERENCES IN TEXT

The Organic Foods Production Act of 1990, referred to in subsec. (c)(1)(B)(ii), is title XXI of Pub. L. 101–624, Nov. 28, 1990, 104 Stat. 3935, which is classified generally to chapter 94 (§6501 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6501 of this title and Tables.

This Act, referred to in subsec. (c)(2)(B)(i), is Pub. L. 100–233, Jan. 6, 1988, 101 Stat. 1568, known as the Agricultural Credit Act of 1987. Provisions relating to mediation services are contained in title V of the Act, which is classified principally to this chapter. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

2018—Subsec. (c)(1)(B). Pub. L. 115–334, §5402(a)(1)(A)(i), struck out "under the jurisdiction of the Department of Agriculture" after "the following issues" in introductory provisions.

Subsec. (c)(1)(B)(ii). Pub. L. 115–334, §5402(a)(1)(A)(ii), inserted "and the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.)" before period at end.

Subsec. (c)(1)(B)(vii) to (x). Pub. L. 115–334, §5402(a)(1)(A)(iii), added cls. (vii) to (x) and struck out former cl. (vii) which read as follows: "Such other issues as the Secretary considers appropriate."

Subsec. (c)(1)(C). Pub. L. 115–334, §5402(a)(1)(B), added subpar. (C).

Subsec. (c)(2)(A)(iv). Pub. L. 115–334, §5402(a)(2), added cl. (iv).

Subsec. (c)(3)(F). Pub. L. 115–334, §5402(a)(3), inserted dash after "program, that" and cl. (ii) designation before "persons" and added cl. (i).

2000—Subsec. (c)(1), (2). Pub. L. 106–472, §306(a)(1), added pars. (1) and (2) and struck out former pars. (1) and (2), which required State mediation program to provide services for producers, their creditors, and other persons involved in agricultural loans, or involved in agricultural loans and such issues as wetlands determinations, compliance with farm programs, agricultural credit, rural water loan programs, grazing on National Forest System lands, pesticides, or such other issues considered appropriate.

Subsec. (d). Pub. L. 106–472, §306(a)(2), added subsec. (d).

1994—Subsec. (a). Pub. L. 103–354, §282(a)(1), substituted "a mediation program" for "an agricultural loan mediation program".

Subsec. (b). Pub. L. 103–354, §282(a)(2), struck out "agricultural loan" before "mediation program".

Subsec. (c). Pub. L. 103–354, §282(a)(3), added subsec. (c) and struck out heading and text of former subsec. (c). Text read as follows: "Within 15 days after the Secretary receives a description of a State agricultural loan mediation program, the Secretary shall certify the State as a qualifying State if the State program—

"(1) provides for mediation services to be provided to producers, and their creditors, that, if decisions are reached, result in mediated, mutually agreeable decisions between parties under an agricultural loan mediation program;

"(2) is authorized or administered by an agency of the State government or by the Governor of the State;

"(3) provides for the training of mediators;

"(4) provides that the mediation sessions shall be confidential; and

"(5) ensures that all lenders and borrowers of agricultural loans receive adequate notification of the mediation program."

1988—Subsec. (b). Pub. L. 100–399 struck out comma after "Governor of a State".

STATUTORY NOTES AND RELATED SUBSIDIARIES

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100–399 effective as if enacted immediately after enactment of Pub. L. 100–233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100–399, set out as a note under section 2002 of Title 12, Banks and Banking.

SHORT TITLE OF 2010 AMENDMENT

Pub. L. 111–233, §1, Aug. 16, 2010, 124 Stat. 2493, provided that: "This Act [amending section 5106 of this title] may be cited as the 'Agricultural Credit Act of 2010'."

§5102. Matching grants to States

(a) Matching grants

Within 60 days after the Secretary certifies the State as a qualifying State under section 5101(b) of this title, the Secretary shall provide financial assistance to the State, in accordance with subsection (b), for the operation and administration of the mediation program.

(b) Amount of grant

(1) In general

Subject to paragraph (2), the Secretary shall pay to a State under subsection (a) not more than 70 percent of the cost of the operation and administration of the mediation program within the State.

(2) Maximum amount

The Secretary shall not pay more than \$500,000 per year to a single State under subsection (a).

(c) Use of grant

(1) In general

Each State that receives an amount paid under subsection (a) shall use that amount only for the operation and administration of the mediation program of the State with respect to which the amount was paid.

(2) Operation and administration expenses

For purposes of paragraph (1), operation and administration expenses for which a grant may be used include

- (A) salaries;
- (B) reasonable fees and costs of mediators;
- (C) office rent and expenses, such as utilities and equipment rental;
- (D) office supplies;
- (E) administrative costs, such as workers' compensation, liability insurance, the employer's share of Social Security, and necessary travel;
- (F) education and training;
- (G) security systems necessary to ensure the confidentiality of mediation sessions and records of mediation sessions;
- (H) costs associated with publicity and promotion of the mediation program;
- (I) preparation of the parties for mediation; and
- (J) financial advisory and counseling services for parties requesting mediation.

(d) Penalty

If the Secretary determines that a State has not complied with subsection (c), such State shall not be eligible for additional financial assistance under this chapter.

(Pub. L. 100–233, [title V, §502, Jan. 6, 1988](#), 101 Stat. 1663; Pub. L. 102–554, [§22, Oct. 28, 1992](#), 106 Stat. 4161; Pub. L. 103–354, [title II, §282\(f\)\(1\)\(A\), Oct. 13, 1994](#), 108 Stat. 3235; Pub. L. 106–472, [title III, §306\(b\), Nov. 9, 2000](#), 114 Stat. 2072.)

EDITORIAL NOTES

AMENDMENTS

2000—Subsec. (c). Pub. L. 106–472 designated existing provisions as par. (1), inserted heading, and added par. (2).

1994—Subsecs. (a), (b)(1), (c). Pub. L. 103–354 struck out "agricultural loan" before "mediation program".

1992—Subsec. (b)(1). Pub. L. 102–554, §22(1), substituted "70" for "50".

Subsec. (c). Pub. L. 102–554, §22(2), inserted before period at end "with respect to which the amount was paid".

§5103. Participation of Federal agencies

(a) Duties of Secretary of Agriculture

(1) In general

The Secretary, with respect to each program or agency under the jurisdiction of the Secretary—

(A) shall prescribe rules requiring each such program or agency to participate in good faith in any State mediation program certified under section 5101 of this title;

(B) shall participate in mediation programs certified under section 5101 of this title; and

(C) shall—

(i) cooperate in good faith with requests for information or analysis of information made in the course of mediation under any mediation program certified under section 5101 of this title; and

(ii) if applicable, present and explore debt restructuring proposals advanced in the course of such mediation.

(2) Nonbinding on Secretary

The Secretary shall not be bound by any determination made in a program described in section 5101 of this title if the Secretary has not agreed to such determination.

(b) Duties of Farm Credit Administration

The Farm Credit Administration shall prescribe rules requiring the institutions of the Farm Credit System—

(1) to cooperate in good faith with requests for information or analysis of information made in the course of mediation under any mediation program described in section 5101 of this title; and

(2) to present and explore debt restructuring proposals advanced in the course of such mediation.

(Pub. L. 100–233, [title V, §503, Jan. 6, 1988](#), 101 Stat. 1663; Pub. L. 100–399, [title V, §502, Aug. 17, 1988](#), 102 Stat. 1005; Pub. L. 103–354, [title II, §282\(b\), Oct. 13, 1994](#), 108 Stat. 3234.)

EDITORIAL NOTES

AMENDMENTS

1994—Subsec. (a)(1). Pub. L. 103–354, §282(b)(2), in introductory provisions inserted "or agency" after "each program" and struck out "that makes, guarantees, or insures agricultural loans" after "of the Secretary".

Subsec. (a)(1)(A). Pub. L. 103–354, §282(b)(1), (3), inserted "or agency" after "such program", struck out "agricultural loan" after "any State", and inserted "certified under section 5101 of this title" after "mediation program".

Subsec. (a)(1)(B). Pub. L. 103–354, §282(b)(1), (4), struck out ", effective beginning on January 6, 1988," after "shall", and "agricultural loan" after "participate in", and inserted "certified under section 5101 of this title" after "mediation programs".

Subsec. (a)(1)(C)(i). Pub. L. 103–354, §282(b)(1), (5)(A), struck out "agricultural loan" before "mediation program" and substituted "certified under" for "described in".

Subsec. (a)(1)(C)(ii). Pub. L. 103–354, §282(b)(5)(B), inserted "if applicable," before "present".

Subsec. (b)(1). Pub. L. 103–354, §282(b)(1), struck out "agricultural loan" before "mediation program".

1988—Subsec. (a)(1)(B). Pub. L. 100–399, §502(a), inserted "effective beginning" before "on".

Subsec. (a)(2). Pub. L. 100–399, §502(b), substituted "section 5101 of this title" for "paragraph (1)".

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100–399 effective as if enacted immediately after enactment of Pub. L. 100–233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100–399, set out as a note under section 2002 of Title 12, Banks and Banking.

§5104. Regulations

The Secretary and the Farm Credit Administration shall prescribe such regulations as may be necessary to carry out this chapter. The regulations prescribed by the Secretary shall require qualifying States to adequately train mediators to address all of the issues covered by the mediation program of the State.

(Pub. L. 100–233, [title V, §504, Jan. 6, 1988](#), 101 Stat. 1664; Pub. L. 103–354, [title II, §282\(c\), Oct. 13, 1994](#), 108 Stat. 3235.)

EDITORIAL NOTES

AMENDMENTS

1994—Pub. L. 103–354 in first sentence substituted "The" for "Within 150 days after January 6, 1988, the" and inserted at end "The regulations prescribed by the Secretary shall require qualifying States to adequately train mediators to address all of the issues covered by the mediation program of the State."

§5105. Report

Not later than 2 years after December 20, 2018, the Secretary shall submit to Congress a report describing—

- (1) the effectiveness of the State mediation programs receiving matching grants under this chapter;
 - (2) recommendations for improving the delivery of mediation services to producers;
 - (3) the steps being taken to ensure that State mediation programs receive timely funding under this chapter;
- and
- (4) the savings to the States as a result of having a mediation program.

(Pub. L. 100–233, [title V, §505, Jan. 6, 1988](#), 101 Stat. 1664; Pub. L. 103–354, [title II, §282\(d\), \(f\)\(1\), Oct. 13, 1994](#), 108 Stat. 3235; Pub. L. 115–334, [title V, §5402\(b\), Dec. 20, 2018](#), 132 Stat. 4675.)

EDITORIAL NOTES

AMENDMENTS

2018—Pub. L. 115–334 amended section generally. Prior to amendment, section required a report related to mediation programs no later than Jan. 1, 1998.

1994—Pub. L. 103–354 in introductory provisions substituted "1998" for "1990", in par. (1) struck out "agricultural loan" before "mediation programs", and in par. (3) substituted "a mediation" for "an agricultural loan mediation".

§5106. Authorization of appropriations

There are authorized to be appropriated to carry out this chapter \$7,500,000 for each of the fiscal years 1988 through 2023.

(Pub. L. 100–233, [title V, §506, Jan. 6, 1988](#), 101 Stat. 1664; Pub. L. 101–624, [title XVIII, §1853, Nov. 28, 1990](#), 104 Stat. 3837; Pub. L. 103–354, [title II, §282\(e\), Oct. 13, 1994](#), 108 Stat. 3235; Pub. L. 106–472, [title III, §306\(c\), Nov. 9, 2000](#), 114 Stat. 2073; Pub. L. 109–17, [§1, June 29, 2005](#), 119 Stat. 339; Pub. L. 111–233, [§2, Aug. 16, 2010](#), 124 Stat. 2493; Pub. L. 113–79, [title V, §5401, Feb. 7, 2014](#), 128 Stat. 840; Pub. L. 115–334, [title V, §5402\(c\), Dec. 20, 2018](#), 132 Stat. 4675.)

EDITORIAL NOTES

AMENDMENTS

2018—Pub. L. 115–334 substituted "2023" for "2018".

2014—Pub. L. 113–79 substituted "2018" for "2015".

2010—Pub. L. 111–233 substituted "2015" for "2010".

2005—Pub. L. 109–17 substituted "2010" for "2005".

2000—Pub. L. 106–472 substituted "2005" for "2000".

1994—Pub. L. 103–354 substituted "2000" for "1995".
1990—Pub. L. 101–624 substituted "1995" for "1991".