

75-4271. Same; agricultural production loan deposit loan packages; participation in program; requirements. (a) The state treasurer is hereby authorized to disseminate information and to provide agricultural production loan deposit loan packages to the lending institutions eligible for participation in this act.

(b) The agricultural production loan deposit loan package shall be completed by the borrower before being forwarded to the lending institution for consideration.

(c) (1) An eligible lending institution that agrees to receive an agricultural production loan deposit shall accept and review applications for loans from eligible agricultural borrowers. The lending institution shall apply all usual lending standards to determine the credit worthiness of eligible agricultural borrowers. No single agricultural production loan deposit loan shall exceed \$250,000. The total aggregate amount of agricultural production loan deposit loans under this program shall not exceed \$55,000,000 of unencumbered funds pursuant to article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) To be eligible to obtain an agricultural production loan, an eligible agricultural borrower must have a debt-to-asset ratio of 40% or greater.

(3) Only one agricultural production loan deposit loan shall be made and be outstanding at any one time to any agricultural borrower.

(4) No loan shall be amortized for a period of more than eight years.

(d) An eligible agricultural borrower shall certify on its loan application that the reduced rate loan will be used exclusively for the operating expenses involved in farming.

(e) The eligible lending institution may approve or reject an agricultural production loan deposit loan package based on the lending institution's evaluation of the eligible agricultural borrowers included in the package, the amount of the individual loan in the package and other appropriate considerations.

(f) The eligible lending institution shall forward to the state treasurer, an approved agricultural production loan deposit loan package, in the form and manner prescribed and approved by the state treasurer. The package shall include information regarding the amount of the loan requested by each eligible agricultural borrower and such other information regarding each eligible agricultural borrower the state treasurer requires, including a certification by the applicant that such applicant is an eligible agricultural borrower.

History: L. 2000, ch. 101, § 4; L. 2001, ch. 180, § 1; July 1.