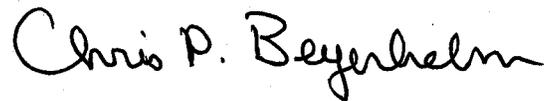


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Direct Loanmaking 3-FLP (Revision 2)	Amendment 12
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Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Exhibit 2 has been amended to update the definition of veteran farmer or rancher.

Page Control Chart		
TC	Text	Exhibit
		2, pages 19, 20

Definition of Terms Used in This Handbook (7 CFR 761.2(b)) (Continued)**SDA Applicant or Farmer**

SDA applicant or farmer is an individual or entity who is a member of a socially disadvantaged group. For entity applicants, the majority interest must be held by socially disadvantaged individuals. For married couples, the socially disadvantaged individual must have at least 50 percent ownership in the farm business and make most of the management decisions, contribute a significant amount of labor, and generally be recognized as the operator of the farm.

SDA Group

SDA group is a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of: American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

Softwood Timber (ST) Loans

ST loan means a loan that was available to eligible financially distressed borrowers who would take marginal land, including highly erodible land, out of production of agricultural commodities other than the production of softwood timber. ST loans are no longer available, however, such outstanding loans are serviced by the Agency.

Streamlined Conservation Loan (CL)

Streamlined CL means a direct or guaranteed CL made to eligible applicants based on reduced documentation.

Supervised Bank Account

Supervised bank account means an account with a financial institution established through a deposit agreement entered into between the borrower, the Agency, and the financial institution.

United States (U.S.)

U.S. means any of the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands.

Definition of Terms Used in This Handbook (7 CFR 761.2(b)) (Continued)

U.S. Noncitizen National

A U.S. noncitizen national means a person born in American Samoa or Swains Island on or after the date the U.S. acquired American Samoa or Swains Island, or a person whose parents are U.S. noncitizen nationals. Typical evidence of the relatively uncommon status as a noncitizen national includes a birth certificate or passport with a document bearing a photograph of the person.

Note: See Exhibit 9 for further documentary requirements to meet this definition.

Veteran

Veteran means **any person who served in the military, naval, or air service during any war as defined in section 101(12) of title 38, United States Code.**

Veteran Farmer or Rancher

Veteran farmer or rancher means a farmer or rancher who served in the Armed Forces as defined in U.S.C. Title 38, Section 101(10), that means served in the U.S. Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components, thereof, and who has either of the following:

- *--not operated a farm or ranch
- operated a farm or ranch for not more than 10 years.--*

Note: This definition is being added by the 2014 Farm Bill and is effective immediately. This change will be incorporated in a Farm Bill CFR, but is effective, as provided here, immediately.

Working Capital

Working capital means **cash available to conduct normal daily farming operations including but not limited to feed, seed, fertilizer, pesticides, farm supplies, cooperative stock, and cash rent.**

Youth Loan

Youth loan means **an operating type loan made to an eligible rural youth applicant to finance a modest income-producing agricultural project.**

Note: This definition is being amended to remove “rural” by the 2014 Farm Bill and is effective immediately. This change will be incorporated in a Farm Bill CFR, but is effective, as provided here, immediately.