



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 480
[2005 Assembly Bill 1003]

**Eligibility for FARM Loan
Guarantee Program**

2005 Wisconsin Act 330 amends the law relating to eligibility for the farm assets reinvestment management (FARM) loan guarantee program administered by the Wisconsin Housing and Economic Development Authority.

Current law provides that a farmer is eligible for a loan guarantee under the FARM program if the farmer satisfies various eligibility requirements. One of these requirements is that the farmer is currently operating a farm premises.

Act 480 changes this eligibility requirement. Under the Act, a person is eligible for a loan guarantee under the FARM program if the person: (1) currently operates a farm premises; or (2) intends to operate a farm premises and has at least three years of farming experience including managing the day-to-day operations of a farm. The Act specifies that the loan proceeds received under the FARM program may not be used to refinance existing debt, for entertainment expenses, or for expenses related to a community-based residential care facility, but may be used to refinance existing debt if the borrower is expanding an existing business.

Effective Date: Act 480 takes effect on June 14, 2006, and first applies to loan guarantees for which an application is made on this date.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.