



LEE NERISON

96TH ASSEMBLY DISTRICT

Remarks of Representative Lee Nerison
on Assembly Bill 675/Senate Bill 549
Senate and Assembly Committees on Agriculture
January 13, 2016

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Committee Members:

I testify in support of Assembly Bill 675, which I have authored, and its companion bill, Senate Bill 549, authored by Senator Moulton.

We are authoring this legislation to modernize the statutes pertaining to several agricultural loan guarantee programs administered by the Wisconsin Housing and Economic Development Authority (WHEDA).

The key points of this legislation are as follows:

- Extends the Agricultural Production Drought Assistance Loan Guarantee Program indefinitely and for any act of nature for which the governor issues a disaster declaration, not just drought.
- Increases loan amounts to reflect current market conditions.
- Assists repayment by giving WHEDA the flexibility to waive origination fees and change current limitations on the amount extended to reflect current agricultural pricing structures.
- Preserves family farms by giving WHEDA the flexibility to waive an origination fee for a Farm Assets Reinvestment Management (FARM) loan.

I encourage you to support this legislation which updates our statutes to reflect modern agricultural lending needs and helps farmers recover from any weather disaster.

Thank you for your time and consideration.



TERRY MOULTON



WISCONSIN STATE SENATOR

23RD SENATE DISTRICT

From: Senator Terry Moulton

To: Joint Committee on Agriculture

Re: Testimony on Senate Bill 549 and Assembly Bill 675
Relating to: agricultural loan guarantee programs administered by the Wisconsin Housing and Economic Development Authority.

Date: January 13, 2016

Mr. Vice Chairman and committee members, thank you for the opportunity to speak to you today about Senate Bill 549 and Assembly Bill 675, which ensure that Wisconsin agricultural loan guarantee programs can best serve Wisconsin farmers.

The Wisconsin Housing and Economic Development Authority (WHEDA) administers several agricultural loan guarantee programs. In 1987, \$10 million was authorized to fund these programs from the Wisconsin Development Reserve Fund. That funding was initially appropriated in Spring 1985. The current balance of this fund is \$8.5 million, meaning WHEDA has authorization to offer \$38 million in loan guarantees. As a result, these bills will not increase spending but simply revise statutory language to allow these programs to better serve Wisconsin farmers.

One important update that these bills make is to the Agricultural Production Drought Assistance program, a program to help Wisconsin farmers impacted by drought. These bills will allow the program to be expanded to include loans for costs related to any act of nature for which the governor issues a declaration of disaster. For example, if this bill had been passed before spring 2015, this program could have been used to help ginseng farmers in central Wisconsin impacted by a late freeze. Floods and tornadoes would also be included. It makes sense for us to extend this successful program to cover all natural disasters.

This bill will also help to preserve family farms through loan guarantees provided under the Farm Assets Reinvestment Management (FARM) loan guarantee program, by allowing WHEDA the flexibility to waive an origination fee for a FARM guarantee if circumstances justify.

Finally, this bill revises outdated financial requirements for the Agricultural Production Loan Guarantee Program, the FARM program, the Agricultural Production Drought Assistance Loan Guarantee Program and the Agricultural Development Loan Guarantee Program to allow farmers increased flexibility. The bill changes the current limitations on the amount extended from the total principal amount to the total guarantee amount. The bill revises outdated maximums, including refinancing, which currently limit flexibility in a loan workout agreement.

Serving the 23rd Senate District



TERRY MOULTON



WISCONSIN STATE SENATOR

23RD SENATE DISTRICT

Senate Bill 549 and Assembly Bill 675 will help Wisconsin farmers by bringing WHEDA's agricultural loan guarantee programs up to date. These agricultural loan guarantee programs are a valuable tool to help farmers and these bills will allow them to function most effectively. Please vote to recommend passage of Senate Bill 549 and Assembly Bill 675. Thank you again for allowing me to testify today.

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