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## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

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<b>2003 Wisconsin Act 236</b> [2003 Assembly Bill 913]	<b>Agricultural Production Loan Guarantee Program</b>
2003 Acts: <a href="http://www.legis.state.wi.us/2003/data/acts/">www.legis.state.wi.us/2003/data/acts/</a>	Act Memos: <a href="http://www.legis.state.wi.us/lc/act_memo/act_memo.htm">www.legis.state.wi.us/lc/act_memo/act_memo.htm</a>

The Wisconsin Housing and Economic Development Authority (WHEDA) administers various agricultural financing programs, including the Agricultural Production Loan Guarantee Program. Under this program, prior to the enactment of Act 236, WHEDA guaranteed collection of 90% of the principal of agricultural production loans, up to a cap of \$30,000 on the total outstanding principal of all agricultural production loans to any single borrower.

Act 236 replaces the \$30,000 cap with a cap that WHEDA will set annually considering changes in the index of prices paid by farmers, published by the U.S. Department of Agriculture. The cap must be not less than \$30,000 nor more than \$100,000 per borrower. In addition, the Act directs WHEDA to guarantee collection of 90% of the principal of loans that are less than \$50,000 and 80% of the principal of loans that are \$50,000 or more.

The Act directs WHEDA to review the Agricultural Production Loan Guarantee Program annually in order to maximize the benefits of the program.

**Effective Date:** Act 236 takes effect on April 28, 2004.

**Prepared by:** David L. Lovell, Senior Analyst

April 20, 2004

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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.