



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 913

Assembly Amendment 1

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Under current law, the Wisconsin Housing and Economic Development Authority (WHEDA) administers various agricultural financing programs. One of these programs is the Agricultural Production Loan Guarantee Program, whereby WHEDA guarantees collection of 90% of the principal of agricultural production loans. The current statute places a \$30,000 cap on the total outstanding principal of all agricultural production loans to any single borrower.

Assembly Bill 913 replaces the \$30,000 cap with a cap of not less than \$30,000 or more than \$100,000 per borrower, with the specific amount set annually by WHEDA. The bill directs WHEDA to make adjustments to the total allowable outstanding principal amount by considering changes in the index of prices paid by farmers published by the federal Department of Agriculture. The bill also directs WHEDA to review the Agricultural Production Loan Program annually in order to maximize the benefits of the program.

Assembly Amendment 1 modifies the amount of the principal that WHEDA guarantees. Under the current statute, WHEDA guarantees 90% of the principal of all agricultural production loans. Under the amendment, WHEDA guarantees 90% of the principal of any agricultural production loan if the loan is less than \$50,000, and 80% of the principal if the loan is \$50,000 or more.

Legislative History

The Assembly Committee on Agriculture introduced Assembly Amendment 1 on March 8, 2004, and recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 913, as amended, on March 9, 2004, each by a vote of Ayes, 12; Noes, 0.

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