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# THE FARM CREDIT COUNCIL

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December 3, 2002

Pandor Hadjy,  
Asst. Deputy Administrator  
Business Programs, RBS  
United States Department of Agriculture  
Room 5050 South Agriculture Building  
Stop 3220  
1400 Independence Avenue, SW  
Washington, DC 20250-3220

RE: Comments Relative to Public Hearing on Sec. 9006 of the Farm Bill

The letter addresses the single issue of permissible loan guarantees that the Secretary may issue under sec. 9006 of the Farm Security and rural Investment Act of 2002. Under this authority, farmers and ranchers plus small rural businesses may receive grants, direct loans or loan guarantees to acquire renewable energy systems and make energy efficiency improvements. For the guarantee loan program authorized by this section, Farm Credit System (FCS) institutions need to be included in any regulation that addresses the types of lenders that farmers and ranchers use as their credit source.

The FCS currently provides nearly \$90 billion in financing to agriculture, rural utility systems and rural telecommunications activities. FCS institutions currently participate in USDA loan guarantee programs for operating and land ownership loans and also programs offered by the Small Business Administration. FCS experience making and servicing guaranteed loans to farmers and ranchers is a benefit that the Rural Business Cooperative Service (RBCS) can use to assist it in meeting its mission in this area. The Farm Credit Council, the FCS institutions' trade association, is available to assist the RBCS as the guaranteed loan program is developed.

Please do not hesitate to contact me if you have any questions at (202) 879-0853.

Sincerely,

John J. Hays  
Vice President - Policy Analysis & Development



