



# Heirs' Property Relending Program (HPRP)

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# Introduction

## Kanika Calvin-Davis

FSA National Outreach Specialist

## Herbert Brown

FSA National Outreach Office Detailee

- Don't hear audio through your device? Audience phone bridge is available
- Questions should be submitted through the chat box
- Questions as applicable, will be answered and added to the Heirs Property Relending FAQ page: <https://www.farmers.gov/heirs/relending>

# Today's Discussion

- **Funding Authorization**
- **What is Heirs' Property?**
- **What is the Relending Program?**
- **Why a Relending Program?**
- **Key Terms**
- **Intermediary Eligibility & Application Process**
- **Loan Uses & Funding for Ultimate Recipients**
- **Resources**

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# Authorization

- 2018 Farm Bill Section 5104
- Authority: 5 U.S.C. 301 and 7 U.S.C. 1989
- \$10 million in budget authority authorized for Fiscal Years 2019-2023
- Final Rule pending

# What is Heirs' Property?

- Land inherited without a will or legal documentation
- Land inherited with a will that divides real estate equally among all heirs



# What is the Heirs' Property Relending Program?

## **Eligible entities will provide loans to assist heirs to:**

- Resolve ownership issues on farmland with multiple owners
- Resolve succession issues on farmland with multiple owners

**Note:** These are loans that must be repaid to the intermediary lender.

# Why a Relending Program?

- Address barriers to accessing USDA farm programs
- Support economic viability
- Protect family farm legacies



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# Intermediaries

Relend funds from  
USDA to heirs:

- Cooperatives
- Credit unions
- Nonprofit organizations



# Ultimate Recipient

An ultimate recipient is an individual or entity that receives a loan from the approved intermediary's revolving loan fund.



# Succession Plan

An ultimate recipient is an individual or entity that receives a loan from the approved intermediary's revolving loan fund.

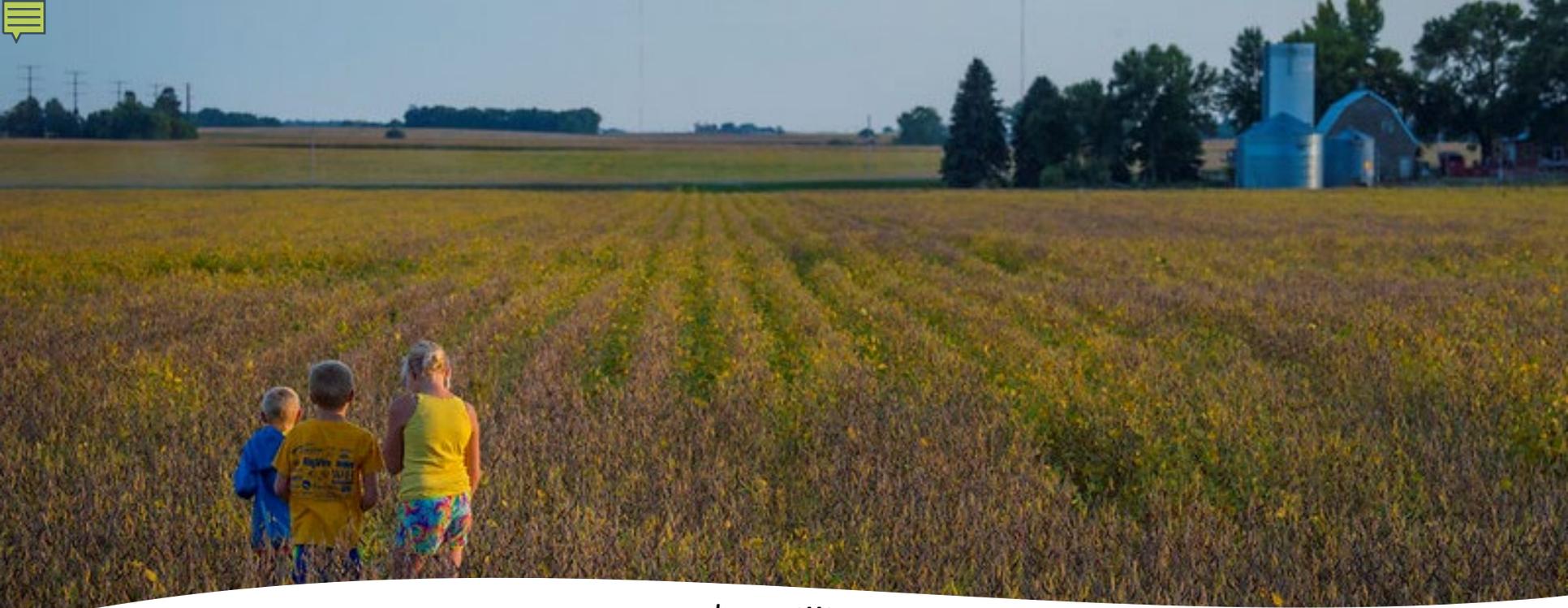




## *Intermediary Eligibility & Funding*

The intermediary must have:

1. At least 5 years of experience assisting SDA farmers and ranchers or limited resource or new and beginning farmers and ranchers, rural businesses, cooperatives, and credit unions;
2. Requisite experience and capability in making and servicing agricultural and commercial loans that are similar in nature to HPRP.
3. Legal authority necessary to carry out the proposed loan purposes and to obtain, provide security for, and repay the proposed loan; and
4. Demonstrate ability and willingness to repay the loan based on the intermediary's financial condition, managerial capabilities, and other resources.



*Intermediary  
Eligibility &  
Funding  
(continued)*

- Up to \$5 million
- Fixed interest rate 1% or less
- 30 years maximum
- Experience working with socially disadvantaged/  
beginning farmers
- Additional training\*

# Application Period for Intermediaries

- Opens 3 weeks after posted in federal register.
- Will be publicized



## Eligible Uses of Funds

- To buy out fractional interests held in tenancy in common by other heirs in jointly-owned property, and
- To pay for costs associated with developing and implementing a succession plan (such as closing costs, appraisals, title searches, surveys, preparing documents, mediation, and legal services).



# Loan Amounts & Eligibility for Ultimate Recipients

Eligibility requirements of the ultimate recipient:

- individuals or legal entities, with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners; and
- must agree to complete a succession plan as a condition of receiving a loan form the intermediary.



# Process

1. The application period opens 3 weeks after the final rule has been published.
2. Intermediary will submit application to FSA to become an intermediary lender.
3. USDA will select and announce the intermediary lenders.
  - The selectees will be listed on [farmers.gov/heirs/releasing](https://farmers.gov/heirs/releasing) after announcement.
4. Eligible heirs will then be able to apply directly to one of the selected intermediary lenders for loans and assistance.
5. Heirs will repay the loan intermediary lender at the established rates and terms.
6. The Intermediary lenders will repay USDA at the established rate/term.

# Stakeholder Toolkit



Available on

<https://www.farmers.gov/heirs/releasing>

**Contents to help you amplify the program:**

- Key Messaging Points
- Newsletter Article
- Sample posts for social media activity
- FSA Office Locator: <https://offices.usda.gov>

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# Questions

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