



USDA Announces Program to Help Heirs Resolve Land Ownership, Succession Issues

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LINCOLN, Nebraska, July 29, 2021 - The U.S. Department of Agriculture (USDA) is providing \$67 million in competitive loans through the new Heirs' Property Relending Program (HPRP), which aims to help agricultural producers and landowners resolve heirs' land ownership and succession issues. Intermediary lenders - cooperatives, credit unions, and nonprofit organizations - can apply for loans up to \$5 million at 1 percent interest once the Farm Service Agency (FSA) opens the two-month signup window in late August.

After FSA selects lenders, heirs can apply directly to those lenders for loans and assistance. Heirs' property issues have long been a barrier for many producers and landowners to access USDA programs and services, and this relending program provides access to capital to help producers find a resolution to these issues.

"While those affected are in all geographic and cultural areas, many Black farmers and other groups who have experienced historic discrimination have inherited heirs' property," said Tim Divis, Acting State Executive Director for FSA in Nebraska. "USDA is committed to revising policies to be more equitable, and examining barriers faced by heirs' property owners is part of that effort. This helps ensure we protect the legacy of these family farms for generations to come."

The Heirs' Property Relending Program is another example of how USDA is working to rebuild trust with America's farmers and ranchers. HPRP is a loan and will need to be repaid as directed by the 2018 Farm Bill.

The program's benefits go far beyond its participants. It will also keep farmland in farming, protect family farm legacies and support economic viability.

Eligible Lenders

To be eligible, intermediary lenders must be certified as a community development financial institution and have experience and capability in making and servicing agricultural and commercial loans that are similar in nature.

If applications exceed the amount of available funds, those applicants with at least 10 years or more of experience with socially disadvantaged farmers that are located in states that have adopted a statute

consisting of enactment or adoption of the Uniform Partition of Heirs Property Act (UPHPA) will receive first preference. A list of these states is available at farmers.gov/heirs/relending. A secondary preference tier is established for those that have applications from ultimate recipients already in process, or that have a history of successfully relending previous HPRP funds. When multiple applicants are in the same tier, or there are no applicants in tier 1 or 2, applications will be funded in order of the date the application was received.

Selected intermediary lenders will determine the rates, terms, and payment structure for loans to heirs. Interest rates will be the lowest rate sufficient for intermediaries to cover cost of operating and sustaining the loan.

Additional information for lenders, including how to apply for funding, can be found in the [HPRP final rule](#).

Relending to Heirs

Heirs may use the loans to resolve title issues by financing the purchase or consolidation of property interests and financing costs associated with a succession plan. This may also include costs and fees associated with buying out fractional interests of other heirs in jointly-owned property to clear the title, as well as closing costs, appraisals, title searches, surveys, preparing documents, mediation, and legal services.

Heirs may not use loans for any land improvement, development purpose, acquisition or repair of buildings, acquisition of personal property, payment of operating costs, payment of finders' fees, or similar costs.

Intermediary lenders will make loans to heirs who:

- Are individuals or legal entities with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners;
- Are a family member or heir-at-law related by blood or marriage to the previous owner of the property;
- Agree to complete a succession plan.

More information on how heirs can borrow from lenders under HPRP will be available in the coming months.

More Information

Heirs' property is a legal term that refers to family land inherited without a will or legal documentation of ownership. It has historically been challenging for heirs to benefit from USDA programs because of

the belief that they cannot get a farm number without proof of ownership or control of land. However, FSA provides alternative options that allow an heir to obtain a farm number. In states that have adopted the UHPA, producers may provide specific documents to receive a farm number. To learn more about heirs property, HPRP, or UHPA, visit farmers.gov/heirs/releasing.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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