USDA Announces First Three Lenders for Heirs' Property Relending Program

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Contact: USDA Press
Email: press@usda.gov

WASHINGTON, August 18, 2022 - The U.S. Department of Agriculture (USDA) announced that Akiptan, Inc., the Cherokee Nation Economic Development Trust Authority (CNEDTA) and the Shared Capital Cooperative have been approved or conditionally approved as intermediary lenders through the Heirs' Property Relending Program (HPRP). Once HPRP loans with these lenders close, these lenders will help agricultural producers and landowners resolve heirs' land ownership and succession issues. Additionally, USDA encourages more intermediary lenders, including cooperatives, credit unions and nonprofit organizations to apply. Currently, more than $100 million of HPRP funding is available for these competitive loans.

Heirs' property is family land that has been passed down to descendants without a will or deed to prove ownership. Without proof of ownership, it may become difficult for heirs to obtain federal benefits for farms and could force partition sales by third parties. 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 heirs find a resolution.

"Through this opportunity, heirs can formalize land ownership and succession issues, which have long prevented so many from accessing USDA programs and services," said Zach Ducheneaux, Administrator of USDA's Farm Service Agency (FSA). "USDA is committed to revising policies to be more equitable and this program is an instrumental part of the effort to provide opportunities to bring and keep agricultural land in agriculture and allow producers nationwide to create generational wealth."

Relending to Heirs

HPRP intermediary lenders will reloan funds to eligible heirs 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.

Who is Eligible?

Intermediary lenders may 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.

These are loans (not grants) and will need to be paid back at interest rates set by the lenders.

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.

Who Heirs Can Contact for Additional Information

Akiptan, Inc

- Service Area: Nationwide, targeting Indian Country.
- Contact: Skya Ducheneaux, (605) 964-8081

Cherokee Nation Economic Development Trust Authority (CNEDTA)

- Service Area: Producers in rural areas (as designated by USDA) of the 14 counties, in whole or in part, encompassing the Cherokee Nation Reservation. Borrower(s) must reside in the Service Area and land must be agricultural land located in the Service Area.
- Contacts: Stephen Highers, (918) 207-3955; and Brian Wagman, (918) 453-5531, sbac@cherokee.org

Shared Capital Cooperative, ***which has a partnership with*** *Federation of Southern Cooperatives*

- *Service Area: Producers in the states of: Alabama, Florida, Georgia, Louisiana, Mississippi and South Carolina*
- *Contact:*
    - *Shared Capital Cooperative, 612-767-2113, heirsloans@sharedcapital.coop, or online here*
    - *Federation of Southern Cooperatives, loanfund@federation.coop; or info@federation.coop*

Additionally, USDA will share information on farmers.gov/heirs/relending.

FSA may be able to provide additional assistance through the farm ownership and operating loan programs to assist heirs in financing other credit needs in conjunction with a HPRP loan provided by an intermediary.

Information for Lenders

USDA is also opening a second opportunity for eligible entities interested in becoming intermediary lenders under HPRP. Loans of up to $5 million at 1% interest are available. Once the new application period is opened, eligible lenders may apply using the HPRP application form (FSA-2637) (PDF, 450 KB) and provide the required application documentation, including a relending plan, copy of CDFI certification, financial statement for the past three years, current financial statement, documents of incorporation, and any supporting documents related to experience.

Submit these documents electronically at sm.fpac.fsa.wdc.hprp@usda.gov or by mail to Heirs' Property Relending Program, Office of the Deputy Administrator for Farm Loan Programs FSA, U.S. Department of Agriculture 1400 Independence Avenue SW, Stop 0522 Washington, DC 20250-0522. There is currently more than $100 million available for these loans. Approved intermediary lenders will determine the rates, terms and payment structure for loans to heirs subject to USDA's approval, with interest rates covering the cost of operating and sustaining the loan.

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, FSA will prioritize applicants that both:

- have at least 10 years or more of experience with socially disadvantaged farmers; and
- 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.

More Information

While owners of heirs' properties may lack proof of ownership or control of land, FSA provides alternative options that allow an heir to obtain a farm number. In states that have adopted the UPHPA, producers may provide specific documents to receive a farm number.

To learn more about heirs' property, HPRP, or UPHPA, visit farmers.gov/heirs or farmers.gov/heirs/relending.

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 usda.gov.

Farm Service Agency:

1400 Independence Ave.
SW Washington, DC 20250

Contact:

FPAC Press Desk
FPAC.BC.Press@usda.gov