

BOB DOLE



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NEW LAW NEEDS TO BE IMPLEMENTED IMMEDIATELY

KANSAS CITY-- Senator Bob Dole (R.-Kan.) said today more emergency loans from the federal government are needed by drought-stricken farmers and a new law that broadens the federal drought disaster loan program needs to be implemented immediately.

In a speech before the third annual Grains Conference sponsored by Farmland Industries, Dole said, "Farmers in the Midwest have lost billions of dollars due to the drought. Farmers have also lost billions due to the grain embargo, double-digit inflation rates, high interest rates and increased fuel costs."

"I have been contacted by many farmers who need credit but cannot qualify under the narrow guidelines of present federal loan programs. These federal programs must be expanded so those farmers who really need and deserve an emergency loan can obtain one," Dole told the conference.

The Kansas Senator said, "Congress passed a new law that was signed on April 2, 1980. The new emergency credit law is to be implemented by the Farmers Home Administration (FmHA) and the Small Business Administration (SBA). The new law would allow FmHA and the SBA to have a similiar disaster program -- one that would meet the full emergency needs of farmers and small businessmen."

Dole said the new law, "would allow the FmHA to loan money at 5 percent to farmers who could not obtain private credit for the amount of their actual loss. FmHA would also be allowed to loan money, at an interest rate equal to the cost of money to the government, to farmers who could obtain private credit for the amount of their actual loss. This new loan is needed by farmers."

"The problem is," Senator Dole said, "the regulations have not yet been published on the new law so the legislation is not yet effective in local FmHA and SBA offices. I have talked to SBA and FmHA officials today urging them to get the new law implemented so farmers can obtain the loans they need."

Dole concluded, "The new law will allow many farmers to qualify for a disaster loan who could not qualify under the old guidelines. I believe the new law will meet the needs that have been expressed to me in my meetings with Kansas farmers. FmHA officials say the new law will be implemented this month."