

News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
Wednesday, May 14, 1986

CONTACT: BRENT BAHLER
(202) 224-6521

DOLE CALLS FOR NEW FARM DEBT RESTRUCTURING POLICY

Washington, DC -- In a prelude to Senate confirmation of two new members to the Farm Credit Administration (FCA), Sen. Bob Dole today introduced bipartisan legislation that calls for greater flexibility in the lending activities and regulation of the Farm Credit System (FCS).

Sen. Dole's legislation, backed by 60 sponsors, directs the FCS to offer maximum flexibility to its hard-pressed borrowers. The Kansas Republican also urged the FCA to exercise increased forbearance in its regulatory policies affecting FCS member institutions.

"This resolution," said Sen. Dole, "will send a clear signal to both the FCA and the FCS that Congress expects the regulators - as well as all rural lenders - to do their part in seeing farmers through the current credit crunch. Tomorrow we can carry this signal to the confirmation hearings for the two new nominees to the FCA board, Frank Naylor and Marvin Duncan. It is my expectation that they will then address this issue, and pledge their cooperation."

"With the continuing hard times in the Farm Belt, it's essential that everyone in the credit chain - commercial banks, government regulators, and the FCS - do all they can to make certain our borrowers and lenders have every possible chance of seeing each other through this difficult period. It's going to take a team effort. That's the bottom line of my resolution," said Sen. Dole.

Key elements of Sen. Dole's debt restructuring resolution include:

- * Following forbearance policies of staying with a borrower as long as there is a reasonable chance for a farmer to work his or her way out of financial difficulty.