

BOB DOLE



(R - Kansas)

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

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CONTACT: WALT RIKER,
SCOTT RICHARDSON 202/224-6521

DOLE HAILS ADMINISTRATION RELIEF PACKAGE FOR FARMERS

WASHINGTON -- Kansas Senator Bob Dole has endorsed the Reagan Administration's four-part plan authorizing the Farmers Home Administration (FmHA) to provide targeted relief to financially strapped farmers.

"The relief package announced by the White House is a solid indication that the Administration fully recognizes the financial problems American farmers are facing. Many of these farmers were forced into an economic straight jacket by the Carter/Mondale Soviet grain embargo which pulled the rug out from under our grain producers. The embargo, along with the high interest rates and spiralling inflation of the Carter Administration, and bad weather all combined to play havoc with the rural economy," Dole said. "In my view, there is no reason why the farmer should be given the cold shoulder in a time of need."

Under the plan, FmHA will consider guaranteeing non-performing and/or classified loans if lenders write-down the face value of the loan to the level that would allow the farmer to have a positive cash flow and permit the farmer to adequately manage his debt.

Farmers need to agree on a debt reduction plan with their present lenders, who will then apply to FmHA for a guarantee. If the borrower is eligible, FmHA will guarantee up to 90% of the reduced debt.

In addition, FmHA may also defer up to 25% of a borrower's debt or \$100,000 (whichever is less) for a period of five years at no interest in order to establish a positive cash flow.

FmHA County Committees will receive advice from local credit and management specialists to help review individual cases and determine eligibility. Individual management and credit assistance will be available to help farmers develop financial planning strategies.

"The relief package is a responsible one because it is transitional in nature and gives relief where relief is needed. It should also serve as a signal to Congress that reducing federal deficits and lowering interest rates must be the top priority if we are to provide long-term economic stability for our nation's farmers," said Senator Dole.