

119TH CONGRESS
1ST SESSION

H. R. 6779

To amend the Consolidated Farm and Rural Development Act to expand eligibility for direct loans to individuals or entity members that hold at least a 50 percent interest and that are or will become bona fide operators of the farm real estate acquired, improved, or supported with farm ownership, operating, or emergency loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2025

Mr. BOST (for himself, Ms. BUDZINSKI, and Mr. ROSE) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Consolidated Farm and Rural Development Act to expand eligibility for direct loans to individuals or entity members that hold at least a 50 percent interest and that are or will become bona fide operators of the farm real estate acquired, improved, or supported with farm ownership, operating, or emergency loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “USDA Loan Mod-
5 ernization Act”.

1 **SEC. 2. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.**

2 Section 302(a) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1922(a)) is amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph
6 (A), by striking “a majority” and inserting “at
7 least a 50 percent”; and

8 (B) in subparagraph (C), by striking “a
9 majority” and inserting “at least a 50 percent”;
10 and

11 (2) in paragraph (2), by striking subparagraphs
12 (A) and (B) and inserting the following:

13 “(A) **ELIGIBILITY OF QUALIFIED OPERA-**
14 **TORS.**—Qualified operators, as defined by the
15 Secretary, shall be considered to meet the oper-
16 ator requirement of paragraph (1).

17 “(B) **ELIGIBILITY OF CERTAIN OPER-**
18 **ATING-ONLY ENTITIES.**—An applicant that is or
19 will become only the operator of farm real es-
20 tate acquired, improved, or supported with
21 funds under this subtitle shall be considered to
22 meet the owner-operator requirements of para-
23 graph (1) if 1 or more of the individuals who
24 is an owner of the farm real estate owns at
25 least 50 percent (or such other percentage as

1 the Secretary determines is appropriate) of the
 2 applicant.

3 “(C) ELIGIBILITY OF CERTAIN EMBEDDED
 4 ENTITIES.—An entity that is an owner-operator
 5 described in paragraph (1), or an operator de-
 6 scribed in subparagraph (B) of this paragraph
 7 that is owned, in whole or in part, by 1 or more
 8 other entities, shall be considered to meet the
 9 direct ownership requirement imposed under
 10 paragraph (1) if at least 75 percent of the total
 11 ownership interests of the embedded entity, or
 12 of the other entities, is owned, directly or indi-
 13 rectly, by qualified operators of the farm ac-
 14 quired, improved, or supported with funds
 15 under this subtitle.”.

16 **SEC. 3. PERSONS ELIGIBLE FOR OPERATING LOANS.**

17 Section 311(a) of the Consolidated Farm and Rural
 18 Development Act (7 U.S.C. 1941) is amended—

19 (1) in paragraph (1)—

20 (A) in the matter preceding subparagraph
 21 (A), by striking “a majority” and inserting “at
 22 least a 50 percent”; and

23 (B) in subparagraph (C), by striking “a
 24 majority” and inserting “at least a 50 percent”;
 25 and

1 (2) by amending paragraph (2) to read as fol-
 2 lows:

3 “(2) SPECIAL RULES.—

4 “(A) ELIGIBILITY OF QUALIFIED OPERA-
 5 TORS.—Qualified operators, as defined by the
 6 Secretary, shall be considered to meet the oper-
 7 ator requirement of paragraph (1).

8 “(B) ELIGIBILITY OF CERTAIN OPER-
 9 ATING-ONLY ENTITIES.—An entity that is an
 10 operator described in paragraph (1) that is
 11 owned, in whole or in part, by other entities,
 12 shall be considered to meet the direct ownership
 13 requirement imposed under paragraph (1) if at
 14 least 75 percent of the total ownership interests
 15 of the embedded entity, or of the other entities,
 16 is owned, directly or indirectly, by qualified op-
 17 erators of the farm improved or supported with
 18 funds under this subtitle.”.

19 **SEC. 4. PERSONS ELIGIBLE FOR EMERGENCY LOANS.**

20 Section 321 of the Consolidated Farm and Rural De-
 21 velopment Act (7 U.S.C. 1961) is amended—

22 (1) by striking all that precedes “shall make
 23 and insure” and inserting the following:

24 **“SEC. 321. ELIGIBILITY FOR LOANS.**

25 “(a) IN GENERAL.—

1 “(1) ELIGIBILITY REQUIREMENTS.—The Sec-
 2 retary”; and

3 (2) in subsection (a)—

4 (A) in the 1st sentence—

5 (i) by striking “(1)” and inserting
 6 “(A)”;

7 (ii) by striking “(2)” and inserting
 8 “(B)”;

9 (iii) by striking “(A)” the 1st place it
 10 appears and inserting “(i)”;

11 (iv) by striking “(B)” the 1st place it
 12 appears and inserting “(ii)”;

13 (v) by striking “a majority” each
 14 place it appears and inserting “at least a
 15 50 percent”;

16 (B) by striking the 5th sentence; and

17 (C) by adding at the end the following:

18 “(2) SPECIAL RULES.—

19 “(A) ELIGIBILITY OF QUALIFIED OPERA-
 20 TORS.—Qualified operators, as defined by the
 21 Secretary, shall be considered to meet the oper-
 22 ator requirement of paragraph (1).

23 “(B) ELIGIBILITY OF CERTAIN OPER-
 24 ATING-ONLY ENTITIES.—An applicant that is or
 25 will become only the operator of farm real es-

1 tate acquired, improved, or supported with
2 funds under this subtitle shall be considered to
3 meet the owner-operator requirements of para-
4 graph (1) if 1 or more of the individuals who
5 is an owner of the real estate owns at least 50
6 percent (or such other percentage as the Sec-
7 retary determines is appropriate) of the appli-
8 cant.

9 “(C) ELIGIBILITY OF CERTAIN EMBEDDED
10 ENTITIES.—An entity that is an owner-operator
11 described in paragraph (1), or an operator de-
12 scribed in subparagraph (B) of this paragraph
13 that is owned, in whole or in part, by 1 or more
14 other entities, shall be considered to meet the
15 direct ownership requirement imposed under
16 paragraph (1) if at least 75 percent of the total
17 ownership interests of the embedded entity, or
18 of the other entities, is owned, directly or indi-
19 rectly, by qualified operators of the farm ac-
20 quired, improved, or supported with funds
21 under this subtitle.”.

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