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| **Part:** | [Part] |
| **Subtitle:** | [Subtitle] |
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12 U.S.C. 2018 **SEC. 1.10. SECURITY; TERMS.**

**(a)** REAL ESTATE LOANS.

**(1)** MAXIMUM LEVEL OF LOANS.

**(A)** IN GENERAL. Real estate mortgage loans originated by a Farm Credit Bank, or in which a Farm Credit Bank participates in with a lender that is not a System institution, shall not exceed 85 percent of the appraised value of the real estate security, except as provided for in subparagraphs (C) and (D).

**(B)** REGULATION. The Farm Credit Administration may, by regulation, require that loans not exceed 75 percent of the appraised value of the real estate security.

**(C)** GUARANTEED LOANS. If the loan is guaranteed by Federal, State, or other governmental agencies, the loan may not exceed 97 percent of the appraised value of the real estate security, as may be authorized under regulations of the Farm Credit Administration.

**(D)** PRIVATE MORTGAGE INSURANCE. A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.

**(2)** SECURITY. All loans originated or participated in by a bank under this section shall be secured by first liens on interests in real estate of such classes as may be prescribed by regulations of the Farm Credit Administration.

**(3)** VALUE OF SECURITY. To adequately secure the loan, the value of security shall be determined by appraisal under standards prescribed by the bank in accordance with regulations of the Farm Credit Administration.

**(4)** ADDITIONAL SECURITY. Additional security for any loan may be required by the bank to supplement real estate security. Credit factors, other than the ratio between the amount of the loan and the security value, shall be given due consideration.

**(b)** INTERMEDIATE CREDIT. Loans, other than real estate loans, and discounts made under the provisions of this title shall be repayable in not more than 7 years (15 years if made to producers or harvesters of aquatic products) from the time that such are made or discounted by the Farm Credit Bank, except that the Board of Directors, under regulations of the Farm Credit Administration, may approve policies permitting loans, advances, or discounts (other than those made to producers or harvesters of aquatic products) to be repayable in not more than 10 years from the time that such are made or discounted by such bank.