



Heirs Property Relending Program (HPRP)

Background of Heirs Property

Heirs property is land that is inherited without a will or legal documentation of ownership

Heirs property is land that is jointly owned by descendants of deceased persons

Purpose of the HPRP

Assist heirs with
undivided
ownership
interest

Succession
Planning

Environmental Compliance



**ENVIRONMENTAL
COMPLIANCE**



**PROCESS TO ADDRESS
ENVIRONMENTAL ISSUES.**

Authorized Loan Purposes

Intermediaries

- Make Direct loans to eligible ultimate recipients.

Ultimate Recipients

- Make loans to individuals to
 - Assist heirs with undivided ownership interests
 - Pay fees associated with succession plan.
 - Consolidate fractional interests.

Eligibility Requirements of the Intermediary

Eligible Entity Types: Eligible entity types are limited to cooperatives, credit unions, and nonprofit organizations. Intermediaries must meet other eligibility requirements.

Certification: The intermediary must be certified as a community development financial institution under 12 CFR 1805.201 (or successor regulations) to operate as a lender.

Citizenship: The applicant and the members of the intermediary must be a U.S. citizen or qualified alien (see 8 U.S.C. 1641).

Experience: The intermediary must:

- have experience and capability in making and servicing agricultural and commercial loans that are similar in nature to HPRP
- have the legal authority necessary to carry out the proposed loan purposes, obtain and provide security, and repay the proposed loan
- demonstrate ability and willingness to repay the loan based on the intermediary's financial condition, managerial capabilities, and other resources.

Eligibility Requirements of the Ultimate Recipient

To be eligible for the program the ultimate recipients must:

- 🕒 be an individual or legal entity with authority to incur the debt and to resolve ownership and succession of a farm owned by multiple owners

Note: In the case of an entity, members of the entity, must be a family member or heir- at-law related by blood or marriage to the previous owner of the real property.

- 🕒 agree to complete a succession plan.

Heirs Property Loan Limits

Intermediary lenders

- \$5 million for each intermediary lender.
- Interest rate one percent.
- 30 Years Max

Ultimate Recipients

- Currently \$600,000.
- Interest rate set by the lender

Loan Limitation

Loans to the ultimate recipient may not be used:

- ⌚ for any land improvement, development purpose, acquisition or repair of buildings, acquisition of personal property, payment of operating costs, payment of finders' fees, or similar costs
- ⌚ for any purpose that will contribute to excessive erosion of highly erodible land or for the conversion of wetlands to produce an agricultural commodity as specified in 7 CFR part 12
- ⌚ to resolve heirs' property issues on property that will not be used, or has traditionally not been used, for production agricultural purposes.

The HPRP loan amount may not exceed the current market value of the land determined by an appraisal.

Intermediaries who receive HPRP funding are not permitted to charge the ultimate recipients for mediation services provided through grants received under the Agency's State Agriculture Mediation Program

Application Period

Entities interested in becoming an intermediary lender must submit an application between August 30, 2021 and October 29, 2021. HPRP will be implemented from the National Office. The intermediary lender must complete an application with necessary supporting information and send it to:

USDA-FSA-DAFLP-Loan Making Division STOP 0522
1400 Independence Avenue, S.W. Washington, DC
20250-0522.

Additional application periods will be announced in the Federal Register.

This particular program is completely separate from SEC 1006 of American Rescue Plan Act of 2021 (HR 1319).

A collage of various colored paper scraps (blue, pink, yellow, green, orange, purple) scattered across the frame. Each scrap features a large, bold, black question mark. Some scraps also have a small black dot. The word "Questions" is written in white, sans-serif font across the center of the collage. Two thin white horizontal lines are positioned above and below the text.

Questions