

the basic program is that the government will pay for a buy down of interest on particular loans, as agreed upon, on a point for point basis, matching basis, with individual lenders. So, for example, if the loan rate is 15 percent on a particular loan and the lender is willing to forego two percentage points to bring it down to 13, the government will in turn, if it agrees to this proposition, bring it down to 11 percent by itself buying down two percentage points. So the benefit to the farmer, of course, is a reduction from 15 percent interest to 11 percent interest which may well help a number of them meet their cash flow problems. So that is basically how the interest buy down provision works and why it would be of advantage to certain classes of farmers. And then the third point of the program is the commodity credit program. This is a direct loan program and basically under the amendments \$7 billion of this program which is generally available only in the fall, will now be available in the spring. And under the current program there are no limitations on the size of the producer who can borrow but they can borrow apparently up to about 50 percent of anticipated crop value. Now the question came up last time, well, what if the crops fail, are they required to have crop insurance? Under the provisions of the amendment, the Secretary of Agriculture can determine whatever security he deems to be necessary. So, in other words, if they want to protect against...if they think it is wise to protect against crop failures, it appears that they can require crop insurance in order to come by this money in the spring. The maximum amount of any loan under this particular program is \$50,000 per operator and the rate of interest that is given to the operator is essentially the rate of interest at which the government had to borrow the money, that is the government borrowing rate is simply passed on to the farmer, plus there is a small origination fee added on in order to cover the cost of administering the program. All major Nebraska crops, by the way, qualify for this particular program, corn, wheat, soybeans, sugar beets. So these...that essentially I hope gives you a little more of an idea of what the program is all about. You may have noticed in the paper the other day that all of Nebraska's Republican Congressmen have essentially already approved on a different bill and in a different form the concepts that are being suggested or that they will be voting on shortly. So I don't think that this is partisan in any sense. I think this is a general recognition on the part of farm state representatives that there is a credit problem and