

amendments as best I can. The bill and the committee amendments deal in three important issues, first of all, the issue of partial redemption. And the issue of partial redemption is, briefly, the opportunity given a farmer, if he cannot afford to redeem the entire property in a mortgage foreclosure action, to redeem the homestead up to 160 acres. Now the purpose is obvious. The purpose of that is, if you have a farmer who is going through a mortgage foreclosure action and he has 960 acres and he has enough funds to rescue the home place, but not all the property, why then he can partially redeem his land so he at least can keep the homestead, five acres, ten acres, up to 160 acres, whatever he or she can afford. The theory is that the farmer can then stay in the homestead, his family may have been there for generations, can then farm the land as a renter or as a hired hand of the new owner. But in the end it will be far less disruptive because you will not be forcing the family farmer off the land, he'll be able to stay with some remnant. That's the concept of partial redemption. That was probably the principal initial purpose of the bill that survived in the committee amendments and as you'll see from the handout it has now survived in the negotiated amendments, the amendments negotiated with the Bankers Association this morning. Now the second major concept of the bill was the opportunity to cure default and that provision provides farm debtors with a meaningful last chance opportunity to bring their loan current before the entire debt is called due. Now let me give you an example. Let's say you have a \$100,000 mortgage on your property and let's say that \$100,000 mortgage on your farm land calls for monthly payments of \$1,000. Now, under current law, if you fall four or five or six months behind in your payment, say 5 or 6 thousand dollars behind in your payments and you have an outstanding balance of \$60,000 on your mortgage, the banker can suddenly, without notice, call the entire amount due and then you've got to come up with the entire \$60,000 if you're to redeem your property. Now, the second major concept of this bill is to build into the statutes an opportunity to cure the default. In the original bill the farmer was given 120 days after receiving notice that the entire amount was going to be due by which time he could pay the delinquent amount, the 4 or 5 thousand dollars in delinquent monthly mortgage payments without having to pay the entire \$60,000 amount. And again, that concept, the opportunity to cure default survived the committee amendments and has now survived the negotiating session this