



April 6, 2021

Dear Chair Sundin and members of the House Agriculture Finance and Policy Committee:

On behalf of the Independent Community Bankers of Minnesota (ICBM), I would like to express our opposition to Article 2, Sections 27-31 of HF1524 which would alter the farmer-lender mediation program by extending the program until 2027, increase the period in which creditors cannot enforce debts to 120 days, and push out the mediation period to 90 days.

When changes to the farmer-lender mediation program were last proposed in 2016, the Legislature exercised caution and put together a task force of stakeholders to agree on changes. At that time, the task force made no recommendations around the provisions included in this bill.

Our member banks have found that by the time mediation is necessary, a significant amount of time has already been invested in working with borrowers. Our members have not had any problems meeting current timelines and they have been willing to extend them if all parties (mediator, creditor, and borrower) are participating in good faith. If progress is being made in a mediation, there is no reason to start enforcing the legal provisions in loan documents.

ICBM strongly recommends removing these provisions until all stakeholders have had the chance to consider the impact as they last did in 2016. I appreciate the committee's consideration and look forward to working with all parties.

Sincerely,

James G. Amundson
President & CEO