

To: State Directors, Rural Development  
Attention: Business Programs Directors and State Coordinators  
Subject: Agricultural Improvement Act of 2018 self-implementation for Rural Business Investment Program

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to include Section 384J(c) of such Act (7 U.S.C. 2009cc-9(c)) pertaining to entities ineligible for Farm Credit System Assistance in RD Instruction 4290.720 (i).

COMPARISON WITH PREVIOUS AN:

There are no previous ANs on this topic.

IMPLEMENTATION RESPONSIBILITIES:

The 2018 Farm Bill was signed into law on December 20, 2018. Title VI Subtitle D Sec. 6426 of the 2018 Farm Bill, updates requirements found at 7 CFR 4290.720(i).

7 CFR 4290.720(i) currently states:

- (i) Entities ineligible for Farm Credit System Assistance. If one or more Farm Credit System Institutions or their Affiliates owns more than 25 percent of the ownership interests of a Rural Business Investment Company, either alone or in conjunction with other Farm Credit System Institutions (or affiliates), the Rural Business Investment Company may not provide Financing to any entity that is not otherwise eligible to receive Financing from a Farm Credit System Institution under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.).*

The applicable text from Section 6426 of the Agricultural Improvement Act of 2018 is as follows:

**(e) LIMITATION ON RURAL BUSINESS INVESTMENT COMPANIES CONTROLLED BY FARM CREDIT SYSTEM INSTITUTIONS.**—Section 384J(c) of such Act (7 U.S.C. 2009cc-9(c)) is amended by striking “25” and inserting “50”.

EXPIRATION DATE:  
January 31, 2020

FILING INSTRUCTIONS:  
Preceding RD Instructions 4290-A

This language is self-implementing and as the date of enactment of the Agricultural Improvement Act of 2018, USDA is revising the 25 percent limitation referenced above to 50 percent, consistent with Section 6426 of the Agricultural Improvement Act. The 50% limitation will be applicable to all certified RBICs, all RBIC applications in process, and those RBICs that have been approved but have not had their final closing as of December 20, 2018, the date of enactment of the Agricultural Improvement Act of 2018.

All other changes outlined in Section 6426 are not self-implementing and will be implemented through a regulation change.

*/s/ Bette B. Brand*

Bette B. Brand  
Administrator  
Rural Business-Cooperative Service