



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2159

Introduced 2/7/2025, by Sen. Rachel Ventura

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/830-30
20 ILCS 3501/830-35

Amends the Illinois Finance Authority Act. In provisions concerning the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund, adds language allowing the moneys in the fund to be used by the Illinois Finance Authority, acting jointly with an appropriate administrative agency of the State using appropriations or other available funds with the Governor's approval, for certain purposes of the Authority regarding the Climate Bank. Effective immediately.

LRB104 11477 HLH 21566 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Finance Authority Act is amended
5 by changing Sections 830-30 and 830-35 as follows:

6 (20 ILCS 3501/830-30)

7 Sec. 830-30. State Guarantees for existing debt.

8 (a) The Authority is authorized to issue State Guarantees
9 for farmers' existing debts held by a lender. For the purposes
10 of this Section, a farmer shall be a resident of Illinois, who
11 is a principal operator of a farm or land, at least 50% of
12 whose annual gross income is derived from farming and whose
13 debt to asset ratio shall not be less than 40%, except in those
14 cases where the applicant has previously used the guarantee
15 program there shall be no debt to asset ratio or income
16 restriction. For the purposes of this Section, debt to asset
17 ratio shall mean the current outstanding liabilities of the
18 farmer divided by the current outstanding assets of the
19 farmer. The Authority shall establish the maximum permissible
20 debt to asset ratio based on criteria established by the
21 Authority. Lenders shall apply for the State Guarantees on
22 forms provided by the Authority and certify that the
23 application and any other documents submitted are true and

1 correct. The lender or borrower, or both in combination, shall
2 pay an administrative fee as determined by the Authority. The
3 applicant shall be responsible for paying any fees or charges
4 involved in recording mortgages, releases, financing
5 statements, insurance for secondary market issues and any
6 other similar fees or charges as the Authority may require.
7 The application shall at a minimum contain the farmer's name,
8 address, present credit and financial information, including
9 cash flow statements, financial statements, balance sheets,
10 and any other information pertinent to the application, and
11 the collateral to be used to secure the State Guarantee. In
12 addition, the lender must agree to bring the farmer's debt to a
13 current status at the time the State Guarantee is provided and
14 must also agree to charge a fixed or adjustable interest rate
15 which the Authority determines to be below the market rate of
16 interest generally available to the borrower. If both the
17 lender and applicant agree, the interest rate on the State
18 Guarantee Loan can be converted to a fixed interest rate at any
19 time during the term of the loan. Any State Guarantees
20 provided under this Section (i) shall not exceed \$500,000 per
21 farmer, (ii) shall be set up on a payment schedule not to
22 exceed 30 years, and shall be no longer than 30 years in
23 duration, and (iii) shall be subject to an annual review and
24 renewal by the lender and the Authority; provided that only
25 one such State Guarantee shall be outstanding per farmer at
26 any one time. No State Guarantee shall be revoked by the

1 Authority without a 90-day notice, in writing, to all parties.
2 In those cases where the borrower has not previously used the
3 guarantee program, the lender shall not call due any loan
4 during the first 3 years for any reason except for lack of
5 performance or insufficient collateral. The lender can review
6 and withdraw or continue with the State Guarantee on an annual
7 basis after the first 3 years of the loan, provided a 90-day
8 notice, in writing, to all parties has been given.

9 (b) The Authority shall provide or renew a State Guarantee
10 to a lender if:

11 (i) A fee equal to 25 basis points on the loan is paid
12 to the Authority on an annual basis by the lender.

13 (ii) The application provides collateral acceptable to
14 the Authority that is at least equal to the State's
15 portion of the Guarantee to be provided.

16 (iii) The lender assumes all responsibility and costs
17 for pursuing legal action on collecting any loan that is
18 delinquent or in default.

19 (iv) The lender is responsible for the first 15% of
20 the outstanding principal of the note for which the State
21 Guarantee has been applied.

22 (c) There is hereby created outside of the State treasury
23 a special fund to be known as the Illinois Agricultural Loan
24 Guarantee Fund. The State Treasurer shall be custodian of this
25 Fund. Any amounts in the Illinois Agricultural Loan Guarantee
26 Fund not currently needed to meet the obligations of the Fund

1 shall be invested as provided by law, ~~or~~ used by the Authority
2 to make direct loans or originate or purchase loan
3 participations under subsection (i) or (r) of Section 801-40, or used by the Authority, acting jointly with an appropriate
4 administrative agency of the State using appropriations or
5 other available funds with the Governor's approval, for the
6 purposes set out in Sections 850-5, 850-10, or 850-15 of this
7 Act. All interest earned from these investments shall be
8 deposited into the Fund until the Fund reaches the maximum
9 amount authorized in this Act; thereafter, interest earned
10 shall be deposited into the General Revenue Fund. After
11 September 1, 1989, annual investment earnings equal to 1.5% of
12 the Fund shall remain in the Fund to be used for the purposes
13 established in Section 830-40 of this Act. All earnings on
14 direct loans, ~~or~~ loan participations made by the Authority
15 under subsection (i) or (r) of Section 801-40, or derived from
16 the opportunities set out in Sections 850-5, 850-10, or 850-15
17 of this Act with amounts in this Fund shall become funds of the
18 Authority. The Authority is authorized to transfer to the Fund
19 such amounts as are necessary to satisfy claims during the
20 duration of the State Guarantee program to secure State
21 Guarantees issued under this Section, provided that amounts to
22 be paid from the Industrial Project Insurance Fund created
23 under Article 805 of this Act may be paid by the Authority
24 directly to satisfy claims and need not be deposited first
25 into the Illinois Agricultural Loan Guarantee Fund. If for any
26

1 reason the General Assembly fails to make an appropriation
2 sufficient to meet these obligations, this Act shall
3 constitute an irrevocable and continuing appropriation of an
4 amount necessary to secure guarantees as defaults occur and
5 the irrevocable and continuing authority for, and direction
6 to, the State Treasurer and the Comptroller to make the
7 necessary transfers to the Illinois Agricultural Loan
8 Guarantee Fund, as directed by the Governor, out of the
9 General Revenue Fund. Within 30 days after November 15, 1985,
10 the Authority may transfer up to \$7,000,000 from available
11 appropriations into the Illinois Agricultural Loan Guarantee
12 Fund for the purposes of this Act. Thereafter, the Authority
13 may transfer additional amounts into the Illinois Agricultural
14 Loan Guarantee Fund to secure guarantees for defaults as
15 defaults occur. In the event of default by the farmer, the
16 lender shall be entitled to, and the Authority shall direct
17 payment on, the State Guarantee after 90 days of delinquency.
18 All payments by the Authority to satisfy claims against the
19 State Guarantee shall be made, in whole or in part, from any of
20 the following funds in such order and in such amounts as the
21 Authority shall determine: (1) the Industrial Project
22 Insurance Fund created under Article 805 of this Act (if the
23 Authority exercises its discretion under subsection (j) of
24 Section 805-20); (2) the Illinois Agricultural Loan Guarantee
25 Fund; or (3) the Illinois Farmer and Agribusiness Loan
26 Guarantee Fund. The Illinois Agricultural Loan Guarantee Fund

1 shall guarantee receipt of payment of the 85% of the principal
2 and interest owed on the State Guarantee Loan by the farmer to
3 the guarantee holder, provided that payments by the Authority
4 to satisfy claims against the State Guarantee shall be made in
5 accordance with the preceding sentence. It shall be the
6 responsibility of the lender to proceed with the collecting
7 and disposing of collateral on the State Guarantee under this
8 Section, Section 830-35, Section 830-45, Section 830-50,
9 Section 830-55, or Article 835 within 14 months of the time the
10 State Guarantee is declared delinquent; provided, however,
11 that the lender shall not collect or dispose of collateral on
12 the State Guarantee without the express written prior approval
13 of the Authority. If the lender does not dispose of the
14 collateral within 14 months, the lender shall be liable to
15 repay to the State interest on the State Guarantee equal to the
16 same rate which the lender charges on the State Guarantee;
17 provided, however, that the Authority may extend the 14-month
18 period for a lender in the case of bankruptcy or extenuating
19 circumstances. The Fund from which a payment is made shall be
20 reimbursed for any amounts paid from that Fund under this
21 Section, Section 830-35, Section 830-45, Section 830-50,
22 Section 830-55, or Article 835 upon liquidation of the
23 collateral. The Authority, by resolution of the Board, may
24 borrow sums from the Fund and provide for repayment as soon as
25 may be practical upon receipt of payments of principal and
26 interest by a farmer. Money may be borrowed from the Fund by

1 the Authority for the sole purpose of paying certain interest
2 costs for farmers associated with selling a loan subject to a
3 State Guarantee in a secondary market as may be deemed
4 reasonable and necessary by the Authority.

5 (d) Notwithstanding the provisions of this Section 830-30
6 with respect to the farmers and lenders who may obtain State
7 Guarantees, the Authority may promulgate rules establishing
8 the eligibility of farmers and lenders to participate in the
9 State guarantee program and the terms, standards, and
10 procedures that will apply, when the Authority finds that
11 emergency conditions in Illinois agriculture have created the
12 need for State Guarantees pursuant to terms, standards, and
13 procedures other than those specified in this Section.

14 (Source: P.A. 100-919, eff. 8-17-18; 101-81, eff. 7-12-19.)

15 (20 ILCS 3501/830-35)

16 Sec. 830-35. State Guarantees for loans to farmers and
17 agribusiness; eligibility.

18 (a) The Authority is authorized to issue State Guarantees
19 to lenders for loans to eligible farmers and agribusinesses
20 for purposes set forth in this Section. For purposes of this
21 Section, an eligible farmer shall be a resident of Illinois
22 (i) who is principal operator of a farm or land, at least 50%
23 of whose annual gross income is derived from farming, (ii)
24 whose annual total sales of agricultural products,
25 commodities, or livestock exceeds \$20,000, and (iii) whose net

1 worth does not exceed \$500,000. An eligible agribusiness shall
2 be that as defined in Section 801-10 of this Act. The Authority
3 may approve applications by farmers and agribusinesses that
4 promote diversification of the farm economy of this State
5 through the growth and development of new crops or livestock
6 not customarily grown or produced in this State or that
7 emphasize a vertical integration of grain or livestock
8 produced or raised in this State into a finished agricultural
9 product for consumption or use. "New crops or livestock not
10 customarily grown or produced in this State" shall not include
11 corn, soybeans, wheat, swine, or beef or dairy cattle.
12 "Vertical integration of grain or livestock produced or raised
13 in this State" shall include any new or existing grain or
14 livestock grown or produced in this State. Lenders shall apply
15 for the State Guarantees on forms provided by the Authority,
16 certify that the application and any other documents submitted
17 are true and correct, and pay an administrative fee as
18 determined by the Authority. The applicant shall be
19 responsible for paying any fees or charges involved in
20 recording mortgages, releases, financing statements, insurance
21 for secondary market issues and any other similar fees or
22 charges as the Authority may require. The application shall at
23 a minimum contain the farmer's or agribusiness' name, address,
24 present credit and financial information, including cash flow
25 statements, financial statements, balance sheets, and any
26 other information pertinent to the application, and the

1 collateral to be used to secure the State Guarantee. In
2 addition, the lender must agree to charge an interest rate,
3 which may vary, on the loan that the Authority determines to be
4 below the market rate of interest generally available to the
5 borrower. If both the lender and applicant agree, the interest
6 rate on the State Guarantee Loan can be converted to a fixed
7 interest rate at any time during the term of the loan. Any
8 State Guarantees provided under this Section (i) shall not
9 exceed \$500,000 per farmer or an amount as determined by the
10 Authority on a case-by-case basis for an agribusiness, (ii)
11 shall not exceed a term of 15 years, and (iii) shall be subject
12 to an annual review and renewal by the lender and the
13 Authority; provided that only one such State Guarantee shall
14 be made per farmer or agribusiness, except that additional
15 State Guarantees may be made for purposes of expansion of
16 projects financed in part by a previously issued State
17 Guarantee. No State Guarantee shall be revoked by the
18 Authority without a 90-day notice, in writing, to all parties.
19 The lender shall not call due any loan for any reason except
20 for lack of performance, insufficient collateral, or maturity.
21 A lender may review and withdraw or continue with a State
22 Guarantee on an annual basis after the first 5 years following
23 closing of the loan application if the loan contract provides
24 for an interest rate that shall not vary. A lender shall not
25 withdraw a State Guarantee if the loan contract provides for
26 an interest rate that may vary, except for reasons set forth

1 herein.

2 (b) The Authority shall provide or renew a State Guarantee
3 to a lender if:

4 (i) A fee equal to 25 basis points on the loan is paid
5 to the Authority on an annual basis by the lender.

6 (ii) The application provides collateral acceptable to
7 the Authority that is at least equal to the State's
8 portion of the Guarantee to be provided.

9 (iii) The lender assumes all responsibility and costs
10 for pursuing legal action on collecting any loan that is
11 delinquent or in default.

12 (iv) The lender is responsible for the first 15% of
13 the outstanding principal of the note for which the State
14 Guarantee has been applied.

15 (c) There is hereby created outside of the State treasury
16 a special fund to be known as the Illinois Farmer and
17 Agribusiness Loan Guarantee Fund. The State Treasurer shall be
18 custodian of this Fund. Any amounts in the Fund not currently
19 needed to meet the obligations of the Fund shall be invested as
20 provided by law, ~~or~~ used by the Authority to make direct loans
21 or originate or purchase loan participations under subsection
22 (i) or (r) of Section 801-40, or used by the Authority, acting
23 jointly with an appropriate administrative agency of the State
24 using appropriations or other available funds with the
25 Governor's approval, for the purposes set out in Sections
26 850-5, 850-10, or 850-15 of this Act. All interest earned from

1 these investments shall be deposited into the Fund until the
2 Fund reaches the maximum amounts authorized in this Act;
3 thereafter, interest earned shall be deposited into the
4 General Revenue Fund. After September 1, 1989, annual
5 investment earnings equal to 1.5% of the Fund shall remain in
6 the Fund to be used for the purposes established in Section
7 830-40 of this Act. All earnings on direct loans, ~~or~~ loan
8 participations made by the Authority under subsection (i) or
9 (r) of Section 801-40, or derived from the opportunities set
10 out in Sections 850-5, 850-10, or 850-15 of this Act with
11 amounts in this Fund shall become funds of the Authority. The
12 Authority is authorized to transfer such amounts as are
13 necessary to satisfy claims from available appropriations and
14 from fund balances of the Farm Emergency Assistance Fund as of
15 June 30 of each year to the Illinois Farmer and Agribusiness
16 Loan Guarantee Fund to secure State Guarantees issued under
17 this Section, Sections 830-30, 830-45, 830-50, and 830-55, and
18 Article 835 of this Act. Amounts to be paid from the Industrial
19 Project Insurance Fund created under Article 805 of this Act
20 may be paid by the Authority directly to satisfy claims and
21 need not be deposited first into the Illinois Farmer and
22 Agribusiness Loan Guarantee Fund. If for any reason the
23 General Assembly fails to make an appropriation sufficient to
24 meet these obligations, this Act shall constitute an
25 irrevocable and continuing appropriation of an amount
26 necessary to secure guarantees as defaults occur and the

1 irrevocable and continuing authority for, and direction to,
2 the State Treasurer and the Comptroller to make the necessary
3 transfers to the Illinois Farmer and Agribusiness Loan
4 Guarantee Fund, as directed by the Governor, out of the
5 General Revenue Fund. In the event of default by the borrower
6 on State Guarantee Loans under this Section, Section 830-45,
7 Section 830-50, or Section 830-55, the lender shall be
8 entitled to, and the Authority shall direct payment on, the
9 State Guarantee after 90 days of delinquency. All payments by
10 the Authority to satisfy claims against the State Guarantee
11 shall be made, in whole or in part, from any of the following
12 funds in such order and in such amounts as the Authority shall
13 determine: (1) the Industrial Project Insurance Fund created
14 under Article 805 of this Act (if the Authority exercises its
15 discretion under subsection (j) of Section 805-20); (2) the
16 Illinois Farmer and Agribusiness Loan Guarantee Fund; or (3)
17 the Illinois Farmer and Agribusiness Loan Guarantee Fund. It
18 shall be the responsibility of the lender to proceed with the
19 collecting and disposing of collateral on the State Guarantee
20 under this Section, Section 830-45, Section 830-50, or Section
21 830-55 within 14 months of the time the State Guarantee is
22 declared delinquent. If the lender does not dispose of the
23 collateral within 14 months, the lender shall be liable to
24 repay to the State interest on the State Guarantee equal to the
25 same rate that the lender charges on the State Guarantee,
26 provided that the Authority shall have the authority to extend

1 the 14-month period for a lender in the case of bankruptcy or
2 extenuating circumstances. The Fund shall be reimbursed for
3 any amounts paid under this Section, Section 830-30, Section
4 830-45, Section 830-50, Section 830-55, or Article 835 upon
5 liquidation of the collateral. The Authority, by resolution of
6 the Board, may borrow sums from the Fund and provide for
7 repayment as soon as may be practical upon receipt of payments
8 of principal and interest by a borrower on State Guarantee
9 Loans under this Section, Section 830-30, Section 830-45,
10 Section 830-50, Section 830-55, or Article 835. Money may be
11 borrowed from the Fund by the Authority for the sole purpose of
12 paying certain interest costs for borrowers associated with
13 selling a loan subject to a State Guarantee under this
14 Section, Section 830-30, Section 830-45, Section 830-50,
15 Section 830-55, or Article 835 in a secondary market as may be
16 deemed reasonable and necessary by the Authority.

17 (d) Notwithstanding the provisions of this Section 830-35
18 with respect to the farmers, agribusinesses, and lenders who
19 may obtain State Guarantees, the Authority may promulgate
20 rules establishing the eligibility of farmers, agribusinesses,
21 and lenders to participate in the State Guarantee program and
22 the terms, standards, and procedures that will apply, when the
23 Authority finds that emergency conditions in Illinois
24 agriculture have created the need for State Guarantees
25 pursuant to terms, standards, and procedures other than those
26 specified in this Section.

1 (Source: P.A. 100-919, eff. 8-17-18; 101-81, eff. 7-12-19.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.