
7 U.S. Code § 1923

Purposes of loans

(a) Allowed purposes

(1) Direct loans

A farmer or rancher may use a direct loan made under this subchapter only for—

- (A) acquiring or enlarging a farm or ranch;
- (B) making capital improvements to a farm or ranch;
- (C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;
- (D) paying for activities to promote soil and water conservation and protection described in section 1924 of this title on a farm or ranch; or
- (E) refinancing a temporary bridge loan made by a commercial or cooperative lender to a farmer or rancher for the acquisition of land for a farm or ranch, if—
 - (i) the Secretary approved an application for a direct farm ownership loan to the farmer or rancher for acquisition of the land; and
 - (ii) funds for direct farm ownership loans under section 1994(b) of this title were not available at the time at which the application was approved.

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