
7 U.S. Code § 1985

Security servicing

(a) Preservation and protection of security, lien, or priority of lien securing loan

The Secretary is authorized and empowered to make advances, without regard to any loan or total indebtedness limitation, to preserve and protect the security for or the lien or priority of the lien securing any loan or other indebtedness owing to, insured by, or acquired by the Secretary under this chapter or under any other programs administered by the Farmers Home Administration or the Rural Development Administration; to bid for and purchase at any execution, foreclosure, or other sale or otherwise to acquire property upon which the United States has a lien by reason of a judgment or execution arising from, or which is pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of, any such indebtedness whether or not such property is subject to other liens, to accept title to any property so purchased or acquired; and to sell, manage, or otherwise dispose of such property as hereinafter provided.

(b) Operation or lease of realty

Except as provided in subsections (c) and (e), real property administered under the provisions of this chapter may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

(c) Sale of property

(1) In general

Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this chapter using the following order and method of sale:

(A) Advertisement

Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

(B) Beginning farmer or rancher; socially disadvantaged farmer or rancher

(i) In general

Not later than 135 days after acquiring real property, the Secretary shall offer to sell the property to a qualified beginning farmer or rancher or a socially disadvantaged farmer or rancher at current market value based on a current appraisal.

(ii) Random selection

If more than 1 qualified beginning farmer or rancher or socially disadvantaged farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

(iii) Appeal of random selection

A random selection or denial by the Secretary of a beginning farmer or rancher or a socially disadvantaged farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

(iv) Combining and dividing of property

To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers or ranchers and socially disadvantaged farmers or ranchers to purchase real property acquired by the Secretary under this chapter by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.

(C) Public sale

If no acceptable offer is received from a qualified beginning farmer or rancher or a socially disadvantaged farmer or rancher under subparagraph (B) not later than 135 days after acquiring the real property, the Secretary shall, not later than 30 days after the 135-day period, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

(2) Previous lease

In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).

(3) Interest

(A) In general

Subject to subparagraph (B), any conveyance of real property under this subsection shall include all of the interest of the United States in the property, including mineral rights.

(B) Conservation

The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to real property to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.

(4) Other law

Chapters 1 to 11 of title 40 and division C (except sections 3302, 3307(e), 3501(b), 3509, 3906, 4710, and 4711) of subtitle I of title 41 shall not apply to any exercise of authority under this chapter.

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