



Ohio Revised Code

Section 902.01 Agricultural financing definitions.

Effective: January 1, 1997

Legislation: House Bill 538 - 121st General Assembly

As used in this chapter:

(A) "Bonds" means bonds, notes, or other forms of evidences of obligation issued in temporary or definitive form, including refunding bonds and notes and bonds and notes issued in anticipation of the issuance of bonds and renewal notes.

(B) "Bond proceedings" means the resolution or ordinance or the trust agreement or indenture of mortgage, or combination thereof, authorizing or providing for the terms and conditions applicable to bonds issued under authority of this chapter.

(C) "Borrower" means the recipient of a loan or the lessee or purchaser of a project under this chapter and is limited to a sole proprietor, or to a partnership, joint venture, firm, association, or corporation, a majority of whose stockholders, partners, members, or associates are persons or the spouses of persons related to each other within the fourth degree of kinship, according to law, provided that the sole proprietor or at least one of such related persons resides or will reside on or is or will actively operate the project or the farm or agricultural enterprise composed, in whole or in part, of the project, and provided further that the sole proprietor or all of the stockholders, members, partners, or associates are natural persons. The agricultural financing commission may establish procedures for the determination of the eligibility of borrowers under this chapter which determinations are conclusive in relation to the validity and enforceability of bonds issued under bond proceedings authorized in connection therewith, and in relation to security interests given and leases, subleases, sale agreements, loan agreements, and other agreements made in connection therewith, all in accordance with their terms.

(D) "Composite financing arrangement" means the sale of a single issue of bonds to finance two or more projects, including, but not limited to, a single issue of bonds for a group of loans submitted by or through a single lending institution or with credit enhancement from a single lending institution, or the sale by or on behalf of one or more issuers of two or more issues or lots of bonds under or



pursuant to a single sale agreement, single marketing arrangement, or single official statement, offering circular, or other marketing document.

(E) "Issuer" means the state, or any county or municipal corporation of the state.

(F) "Issuing authority" means in the case of the state, the agricultural financing commission created by section 901.61 of the Revised Code; in the case of a municipal corporation, the legislative authority thereof; and in the case of a county, the board of county commissioners or whatever officers, board, commission, council, or other body might succeed to or assume the legislative powers of the board of county commissioners.

(G) "Lending institution" means any domestic building and loan association as defined in section 1151.01 of the Revised Code, any service corporation the entire stock of which is owned by one or more such building and loan associations, a bank which has its principal place of business located in this state, a bank subsidiary corporation that is wholly owned by a bank having its principal place of business located in this state, any state or federal governmental agency or instrumentality including without limitation the federal land bank, production credit association, or bank for cooperatives, or any of their local associations, or any other financial institution or entity authorized to make mortgage loans and qualified to do business in this state.

(H) "Loan" includes a loan made to or through, or a deposit with, a lending institution or a loan made directly to the owner or operator of a project to finance one or more projects. Notwithstanding any other provision of this chapter, loans from proceeds of bonds issued under a composite financing arrangement shall be made only to or through, or by a deposit with, a lending institution, including the purchase of loans from lending institutions, or be made in any other manner in which a lending institution has been or is involved in the origination or credit enhancement of the loan.

(I) "Mortgage loan" means a loan secured by a mortgage, deed of trust, or other security interest.

(J) "Pledged facilities" means the project or projects mortgaged or facilities the rentals, revenues, and other income, charges, and moneys from which are pledged, or both, for the payment of the principal of and interest on the bonds issued under authority of section 902.04 of the Revised Code, and includes a project for which a loan has been made under authority of this chapter, in which case,



references in this chapter to revenues of such pledged facilities or from the disposition thereof include payments made or to be made to or for the account of the issuer pursuant to such loan.

(K) "Project" means real or personal property, or both, including undivided and other interests therein, acquired by gift or purchase, constructed, reconstructed, enlarged, improved, furnished, or equipped, or any combination thereof, by an issuer, or by others from the proceeds of bonds, located within the boundaries of the issuer, and used or to be used by a borrower for agricultural purposes as provided in division (D) of this section. A project is hereby determined to qualify as facilities for industry, commerce, distribution, or research described in Section 13 of Article VIII, Ohio Constitution.

(L) "Purchase" means, with respect to loans, the purchase of loans from, or other acquisition by an issuer of loans of, lending institutions.

(M) "Revenues" means the rentals, revenues, payments, repayments, income, charges, and moneys derived or to be derived from the use, lease, sublease, rental, sale, including installment sale or conditional sale, or other disposition of pledged facilities, or derived or to be derived pursuant to a loan made for a project, bond proceeds to the extent provided in the bond proceedings for the payment of principal of, or premium, if any, or interest on the bonds, proceeds from any insurance, condemnation, or guaranty pertaining to pledged facilities or the financing thereof, any income and profit from the investment of the proceeds of bonds or of any revenues, any fees and charges received by or on behalf of an issuer for the services of or commitments by the issuer, and moneys received in repayment of and for interest on any loan made or purchased by an issuer, moneys received by an issuer upon the sale of any bonds of the issuer under section 902.04 of the Revised Code, any moneys received from investment of funds of an issuer or from the sale of collateral securing loans made or purchased by the issuer, including collateral acquired by foreclosure or other action to enforce a security interest, and any moneys received in payment of a claim under insurance, guarantees, letters of credit, or otherwise with respect to any loans made or purchased by an issuer or any collateral held by the issuer of any bonds issued under this chapter.

(N) "Security interest" means a mortgage, lien, or other encumbrance on, or pledge or assignment of, or other security interest with respect to all or any part of pledged facilities, revenues, reserve funds, or other funds established under the bond proceedings, or on, of, or with respect to, a lease,



sublease, sale, conditional sale, or installment sale agreement, loan agreement, or any other agreement pertaining to the lease, sublease, sale, or other disposition of a project or pertaining to a loan made for a project, or any guaranty or insurance agreement made with respect thereto, or any interest of the issuer therein, or any other interest granted, assigned, purchased, or released to secure payments of the principal of, premium, if any, or interest on any bonds or to secure any other payments to be made by an issuer under the bond proceedings. Any security interest under this chapter may be prior or subordinate to or on a parity with any other mortgage, lien, encumbrance, pledge, assignment, or other security interest.