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FARM DEBT ADJUSTMENT

[Some questions and answers.]

RESETTLEMENT
ADMINISTRATION
WASHINGTON, D. C.

1 ★ WHAT ARE FARM DEBT ADJUSTMENT COMMITTEES?

They are Committees which have been formed to help debt-ridden farmers readjust the debts they owe and retain their farms. The members of these Committees work without pay. They are performing a public service in helping farmers and their creditors to arrange settlements of excessive debts and in recommending adjustments which will make foreclosures unnecessary. Farm Debt Adjustment Service is available in every State.

2 ★ HOW WERE THE MEMBERS OF THE COMMITTEES SELECTED?

The Governors of the several States appointed State Farm Debt Adjustment Committees in the fall of 1933 at the request of the President and the Governor of the Farm Credit Administration. The members of each State committee recommended to the Governor public-spirited citizens in all parts of the State who in turn were appointed to membership on county Farm Debt Adjustment Committees.

3 ★ WHY WAS FARM DEBT ADJUSTMENT WORK STARTED?

Many farmers went in debt at a time when prices of farm products were much higher than at present and now find themselves unable to pay all of their debts out of their greatly reduced farm income. For example, a wheat farmer who went in debt \$100 for an acre of land in 1914 did so with the expectation of paying for it with the returns from approximately 114 bushels of wheat. In 1932, however, the price of wheat had dropped so sharply that it required the returns from approximately 263 bushels of wheat to pay off the debt.

A farmer overburdened by debt cannot conduct his farming operations successfully, and is not a normal purchaser in his community. In cases of this kind, the farmer must obtain a readjustment of his debts if he is to continue farming, otherwise he will struggle along and sooner or later will lose his farm.

4 ★ WHAT IS THE PURPOSE OF FARM DEBT ADJUSTMENT COMMITTEES?

The Committees were organized to provide a means of bringing together farm debtors and their creditors in an effort to solve their mutual problems. This generally means an arrangement of the farmer's indebtedness in a way that enables him to continue his farming operations and to retain his property.

5 ★ CAN A CREDITOR AS WELL AS A DEBTOR ASK FOR THE ASSISTANCE OF A COMMITTEE?

Yes. The same assistance will be given to both. Committeemen give careful consideration to the positions of all creditors.

6 ★ WHAT LEGAL STATUS DO THE FARM DEBT ADJUSTMENT COMMITTEES HAVE?

They have no legal power to enforce their recommendations. They endeavor to obtain the agreement of the farmer and all his creditors to a fair and reasonable adjustment, but they cannot compel a scale-down of the farmer's debts or any other settlement which is not acceptable to both him and his creditors.

7 ★ ARE MANY DEBTS ADJUSTED BY THESE COMMITTEES?

There are hundreds of Committees with records of settling from 25 to 500 cases in a single county. In a 3-month period, Debt Adjustment Committees reported the reduction of the debts of 3,661 farmers from a total of \$20,503,312 to \$14,011,446, a reduction of \$6,491,866 or 31.7 percent. This success has been due largely to the cooperation of creditors who realize that a voluntary settlement is the best way of saving the farmer's home and of protecting the creditor's investment.

8 ★ WHAT DOES FARM DEBT ADJUSTMENT SERVICE COST A DEBTOR OR CREDITOR?

Nothing. The services of county Farm Debt Adjustment Committees are available without cost to farm debtors or creditors.

9 ★ ARE THE COMMITTEE MEMBERS RECEIVING ANY PAY FOR THEIR WORK?

The Committee members serve without pay. The Resettlement Administration partially reimburses them for out-of-pocket expenses, such as cross-county travel, incurred while actually engaged in farm debt adjustment work.

10 ★ WHAT STEPS MUST A FARM DEBTOR OR CREDITOR TAKE TO ASSURE CONSIDERATION OF HIS CASE?

All that he has to do is to apply to his county Farm Debt Adjustment Committee for assistance.

11 ★ WHEN A CASE HAS BEEN PRESENTED WHAT DOES THE COUNTY FARM DEBT ADJUSTMENT COMMITTEE DO?

When cases of excessive debt are presented to it, the Committee undertakes to work out voluntary settlements. It holds meetings with the farmer and his creditors, reviews the facts of the case, and suggests a plan for adjustment. The plan may call for a refinancing of the farmer's obligations, a reduction in their amount, an extension of time for their payment, or a decrease in the rate of interest paid on them. Each case is considered on its individual merits, and the special needs of the farmer and his creditors are taken into account.

12 ★ HOW MAY A FARMER LOCATE HIS COUNTY COMMITTEE?

The County Rural Rehabilitation Supervisor, the District Farm Debt Adjustment Supervisor, or the County Agricultural Extension Agent, who works in close cooperation with the Resettlement Administration, can give any interested person the names of the members of the Farm Debt Adjustment Committee serving his county. If the information cannot be obtained locally write the Resettlement Administration, Washington, D. C.



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**FOR FURTHER INFORMATION WRITE
RESETTLEMENT ADMINISTRATION
WASHINGTON, D. C.**