

CHAPTER 1502
DEPARTMENT OF AGRICULTURE
FARMER-LENDER MEDIATION

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1502.0002 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp 2 [Repealed, 28 SR 1360]

Subp 3 **Farmer-Lender Mediation Act.** "Farmer-Lender Mediation Act" means Minnesota Statutes, sections 583 20 to 583 32

[For text of subp 4, see MR]

Subp 5 **Mediation proceeding notice.** "Mediation proceeding notice" means the mediation proceeding notice sent by the statewide program office under Minnesota Statutes, section 583 24, subdivision 4.

[For text of subps 6 and 7, see MR]

Subp 8 **Statewide program office.** "Statewide program office" means the Farmer-Lender Mediation Statewide Program Office of the University of Minnesota Extension Service

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0003 ADMINISTRATION.

The director of Minnesota extension services shall administer the Farmer-Lender Mediation Act subject to the delegation power prescribed in Minnesota Statutes, sections 583 22, subdivision 5, and 583 23, subdivision 3 Under the delegation power in Minnesota Statutes, section 583 22, subdivision 5, the statewide program office is the director's designee as provided in parts 1502.0001 to 1502 0026 and for purposes of service, filing, and other purposes specified by the director.

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0005 FORMS.

The director shall make forms for mediation under the Farmer-Lender Mediation Act available through the statewide program office for use by debtors, creditors, and mediators

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0006 SUBSTANTIVE RIGHTS.

The fact that the director or director's designee has in any way acted upon a request for mediation does not determine the substantive rights of the debtor or creditors under the Farmer-Lender Mediation Act or parts 1502 0001 to 1502.0026.

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0007 FILING AND WITHDRAWAL OF MEDIATION REQUEST.

A debtor must file a mediation request form with the statewide program office within 14 days after receiving a mediation notice. A debtor may withdraw a mediation request at any time before 14 days after receiving a mediation notice. The debtor's withdrawal must be in writing. Withdrawal of the mediation request constitutes a waiver of the debtor's right to mediate the debt that initiated the service of the mediation notice under the Farmer-Lender Mediation Act unless the debtor refiles the mediation request within the 14 days permitted to file the original mediation request.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*

1502.0008 FAILURE TO REQUEST MEDIATION.

The creditor must serve the mediation notice on the statewide program office within three days of service of the notice on the debtor. If a debtor fails to file a timely mediation request or withdraws a mediation request, the statewide program office shall send a copy of the Extension Notice of Debtor(s) Failure to Request Mediation (Form 3) to the debtor and the creditor who served the mediation notice. The extension Notice of Debtor(s) Failure to Request Mediation (Form 3) must be sent within 20 days after service of the mediation notice on the debtor or within three days after the creditor's filing with the statewide program office proof of the date of service of the mediation notice, whichever is later.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*

1502.0009 CANCELLATION OF MEDIATION PROCEEDING.

Subpart 1 **Cure of default.** If the debtor cures the default of the debt specified in the mediation notice before the first mediation meeting, the statewide program office shall cancel the mediation proceeding upon receipt of a written statement from the debtor and creditor indicating that the default has been cured.

Subp 2. **Agreement reached before the first mediation meeting.** If the debtor and the creditor who served the mediation notice have reached an agreement before the first mediation meeting, the statewide program office shall cancel the mediation proceeding upon receipt of a written statement from the creditor and debtor indicating that an agreement has been reached.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*

1502.0010 PROOF OF FILING MEDIATION REQUEST.

When a debtor files a mediation request with the statewide program office, the mediation request must be filed by certified mail using return receipt, by actual delivery of the mediation request with a signed receipt of the statewide program office, by facsimile with a receipt returned by facsimile, or electronically with a receipt returned electronically.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*

1502.0011 CREDITOR CLAIM FORMS FOR DEBTS NOT SUBJECT TO MEDIATION.

Subpart 1. **Supporting documents.** A creditor owed a debt not subject to the Farmer-Lender Mediation Act under Minnesota Statutes, section 583.26, subdivision 4, paragraph (f), must return a claim form specifying why the debt is not subject to the Farmer-Lender Mediation Act to the statewide program office and attach the documents indicated for the debts listed in items A to E.

[For text of items A to E, see MR]

Subp 2. **Notification of debt not subject to mediation.** If a creditor returns a claim form with the documents required under subpart 1, items A to E, the statewide program office shall determine from the documents whether the debt is subject to the Farmer-Lender Mediation Act. The statewide program office shall notify the debtor, creditor, and mediator of the determination

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0012 FINANCIAL ANALYST AND FARM ADVOCATE.

Within three business days of receiving a mediation request, the statewide program office shall provide a financial analyst to meet with the debtor at the orientation session and as necessary to prepare the debtor's records before the initial mediation meeting. The statewide program office shall provide the debtor with information on obtaining, without charge, a Department of Agriculture farm advocate to assist the debtor. This information must include a list of farm advocates and an explanation of the farm advocates services, as provided by the Minnesota Farm Advocate Program. The statewide program office shall provide the debtor with information on the availability of legal assistance to financially eligible debtors through the Minnesota Family Farm Law Project.

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0015 SELECTION OF MEDIATOR.

Subpart 1. **Procedure.** The initiating creditor and the debtor may strike one name from the mediator list by sending the statewide program office a notice to that effect. The notice must be mailed within three days of the date the debtor or creditor received the mediation proceeding notice.

Subp. 2 **Replacement mediator.** If the appointed mediator withdraws from the case, the farmer-lender mediation coordinator of the statewide program office shall appoint a replacement mediator not previously stricken from the mediator list by the debtor or the initiating creditor, or if an unstricken mediator is not available, the farmer-lender mediation coordinator of the statewide program office shall appoint an available mediator, subject to the disapproval of either the debtor or creditor, upon a showing of conflict of interest.

Subp. 3 **Comediators.** At the discretion of the statewide program office, more than one mediator may be assigned to a mediation proceeding.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*

1502.0017 MEDIATION PROCESS.

Subpart 1 **Combined proceeding for more than one debtor.** The statewide program office shall combine all mediation notices for more than one debtor into one mediation proceeding if the debtors are liable for the same debt or a portion of the same debt on a single piece of agricultural property

Subp 2 **Combined proceeding for more than one mediation notice.** The statewide program office shall combine all mediation notices for the same debtor that are received before the initial mediation meeting into one mediation proceeding. It shall be at the statewide program office's discretion as to how to proceed if a mediation notice is served on a debtor between the time of the initial mediation meeting and the end of the mediation period.

[For text of subps 3 and 4, see MR]

Subp 5 **Record.** Upon completion of mediation, the mediator shall forward all documents made or used in the course of or because of mediation to the statewide

program office. The documents must be kept by the statewide program office in a secure place and are subject to the confidentiality provisions of Minnesota Statutes, section 13.02, subdivisions 9 and 12

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0018 REMOVAL OF MEDIATOR.

Subpart 1 **Procedure.** The mediator may be removed at any time during the mediation period upon written request of the debtor or initiating creditor. This request must be sent to the statewide program office who, upon receipt of the agreement, shall assign an available replacement mediator not previously stricken from the mediator list by the debtor or initiating creditor to participate in the mediation or if an unstricken mediator from the list is not available, the statewide program office must assign an available mediator subject to the disapproval of either the debtor or creditor upon a showing of conflict of interest.

[For text of subps 2 and 3, see MR]

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0022 LACK OF GOOD FAITH AFFIDAVIT.

If the mediator determines that a debtor or a creditor is not participating in good faith, the mediator shall file an affidavit indicating the reasons for the finding with the statewide program office, the debtor, and the creditors

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0023 CREDITOR'S LACK OF GOOD FAITH.

If the mediator finds the creditor has not participated in mediation in good faith, the debtor may require court-supervised mediation by:

A. filing the mediator's affidavit with the district court of the county of the debtor's residence with a request for court supervision of mediation,

B. serving a copy of the request with each creditor; and

C. sending a copy of the affidavit to the statewide program office. The request must be filed with the court within ten days of receipt of the lack of good faith affidavit by the debtor or within 90 days after the debtor filed the mediation request with the statewide program office, whichever is later

Statutory Authority: *MS s 583 285*

History: *28 SR 1360*

1502.0025 COURT-SUPERVISED MEDIATION.

Subpart 1 **List of mediators.** If requested to do so by the court, the statewide program office shall provide the court with a list of mediators to be used in the selection of the mediator for court-supervised mediation

Subp 2 **Suspension of remedies.** The remedies of all creditors are suspended during court-supervised mediation.

Statutory Authority: *MS s 583.285*

History: *28 SR 1360*