



# **North Dakota Farm Credit Council**

*AgCountry Farm Credit Services Farm Credit Services of Mandan Farm Credit Services of North Dakota*

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**Testimony of Dana Bohn  
North Dakota Farm Credit Council Executive Director  
SB 2223  
January 28, 2021**

Chairman Burckhard and members of the Senate Political Subdivisions Committee, my name is Dana Bohn and on behalf of the North Dakota Farm Credit Council (NDFCC), I'd like to express our opposition to SB 2223.

NDFCC is comprised of three farmer/rancher-owned independent Farm Credit associations that provide credit and financial services to farmers, ranchers and agribusinesses of all sizes and income ranges in every county in North Dakota. North Dakota Farm Credit associations provide about \$14.6 billion in credit in addition to providing financial services to approximately 26,000 customers.

If a debtor is willing to give a deed to avoid foreclosure, NDFCC does not support requiring a creditor to go through the legal steps to get an order for foreclosure from the courts. By requiring a judgement, this bill would take away the ability for lenders and borrowers to settle disputes privately. In addition, by requiring legal action, which is a public record, this bill would take away an opportunity to keep the debtor's financial situation private.

The rationale behind deed-in-lieu statutes is that it is an option to avoid foreclosure and court proceedings if both parties agree. This point isn't NDFCC's alone, it's reflected by several legal commentaries on the topic. By placing the additional requirement of obtaining a court order or judgment, one of the primary flexibility advantages of the statute is lost. In addition, giving and accepting deeds-in-lieu of foreclosure is a voluntary action by both parties. No one is ever legally forced to give a deed-in-lieu of foreclosure. This is an option that doesn't take state resources, besides recording the deed. If passed, the courts must be involved.

Thank you for the opportunity to address the committee and express opposition to SB 2223, and for your continued commitment to working together to address the needs of North Dakotans.

Independently owned and operated associations serving North Dakota.

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