
Female, Hispanic farmers not satisfied with loan discrimination case resolution

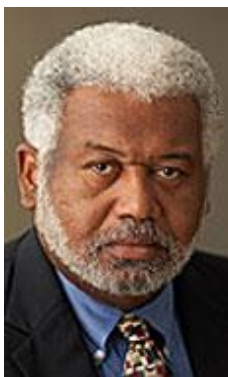
By JERRY HAGSTROM

The Obama administration today announced a process to resolve the claims of female and Hispanic farmers who have sued the Agriculture Department for loan program discrimination, but lawyers for the plaintiffs signaled they were not yet satisfied because the settlement does not match earlier settlements for black and Native American farmers.

The Agriculture Department has longstanding civil rights problems stemming from the days when its operations in the South were segregated and USDA offices did not treat women and minorities who entered their doors the same as white men. The Obama administration has already settled cases by black and Native American farmers, and resolution of the Hispanic and women's cases, dating from between 1981 and 2000, would be a major accomplishment for Agriculture Secretary Tom Vilsack.

"The Obama administration has made it a priority to resolve all claims of past discrimination at USDA, and we are committed to closing this sad chapter in USDA's history," Vilsack said today.

Vilsack said he hopes claims can be paid next year to the Hispanic and female farmers, whose reaction to resolution of the cases could have implications for how President Obama fares in rural America in the 2012 presidential election campaign. In 2008, Obama did better than any Democratic presidential candidate in rural America since Bill Clinton, and women and Hispanic voters were key to that vote.



Stephen Hill, lawyer representing Hispanic farmers

But Stephen Hill, a lawyer with Howrey LLP who represents the Hispanic farmers in the case, said he was "disappointed that the government continues in its efforts to foist this grossly discriminatory offer onto Hispanic farmers." He noted that black farmers, in the case known as Pigford I, and Native American farmers in a case known as Keepseagle, had won much bigger individual settlements.

Hill said he is considering suing the government for discrimination in the administration of justice on the grounds that it "can't pick and choose favorites among its victims."

"It's extremely disappointing that this administration that came into office making so many encouraging comments about wanting to close the chapter on discrimination has come forward with a settlement proposal that discriminates," Hill said.

But Rudy Arredondo, president of the National Latino Farmers and Ranchers Trade Association, said he would urge Hispanic farmers to "take a look" at what USDA is offering, although he

added that farmers should consult with their lawyers. Arredondo, noting that he has no role in the case, said the inability to gain class status had made the case more difficult to resolve.

Kristine Dunne, a lawyer with Arent & Fox who represents the female farmers, also expressed disappointment, saying the program treats her clients "far less favorably" than government settlements for African-American and Native American farmers who have also suffered decades of discrimination.



Kristine Dunne, lawyer for female farmers

"Women are being offered substantially less money, and being subjected to a more onerous process and more burdensome evidentiary requirements than claimants from other minority groups, for no good reason," Dunne said.

Rosemary Love, a named plaintiff in the Love v. Vilsack case, said in a statement, "The government's announcement today is a positive step forward, but the proposed program is fraught with problems." But Love added, "We are hopeful that we can work together to address the issues of concern to ensure proper resolution redress of the claims of women farmers who have suffered for decades."

Dunne said in an interview her next steps would depend on learning the details of what USDA is proposing.

The process announced today attempts to resolve cases filed years ago that are now known as Garcia v. Vilsack and Love v. Vilsack. In those cases, Hispanic and female farmers charged that USDA officials denied them farm loans or delayed loan applications while granting the loans on a timely basis to white, male farmers. As a result they lost money and in some instances, their farms. Attempts were made in both cases to achieve class action status, but the courts refused to establish the classes.

Last year, USDA and the Justice Department announced they had agreed to provide a total of \$1.33 billion in compensation to settle the female and Hispanic claims. The money would come from the Justice Department's Judgment Fund, which is used to pay most legal cases the government loses and would not have to be appropriated by Congress, as it was to settle the black farmers' case known as Pigford II last year.

In the announcement last year, USDA and DOJ also said that due to the lack of class status each claimant would have to file a case in federal court and then withdraw it in order to receive compensation. The farmers' lawyers objected vigorously to that provision, saying it would cost each claimant at least \$350.

Today Vilsack and Assistant Attorney General for the Civil Division Tony West said that the Hispanic and female farmers would not have to file in court and would be eligible for what could be a somewhat more generous pool of money. Vilsack and West said there would be a two-tiered level of proof. Each Hispanic or female farmer who can show that USDA denied them a loan or loan servicing for discriminatory reasons for certain time periods between 1981 and 2000 would be eligible for up to \$50,000, with the total payments limited to \$1.3 billion and the amount paid to each dependent on how many successful claimants there are.

In a key change from the previous announcement, Hispanic or female farmers who provide additional proof and meet other requirements can receive a full \$50,000 reward, but the second category would not be subject to the \$1.3 billion cap. Successful claimants would also be eligible for funds to pay the taxes on their awards and for forgiveness of certain existing USDA loans up to a total of \$160 million.

Vilsack said the total amount of compensation is not limited because individuals who chose not to participate in the process can file an individual complaint in court. He also noted that, since no class status

had been achieved, without the process announced today each Hispanic or female farmer would have had to file a case in federal court. “The process we are announcing today will help folks resolve claims more simply,” he said.

John Zippert, chairman of the Rural Coalition, which represents more than 60 community-based organizations serving producers of color, said that while he is encouraged that the government is moving toward resolution of the claims, the process remains a problem.

“Our initial fear is that it will be very difficult for many producers who suffered discrimination to meet the documentation requirements with records that may be 20 or 30 years old, and without any apparent provision to retain attorneys,” Zippert said.

USDA said it is launching an outreach effort to potential claimants that will include a call center for farmers and ranchers, a website, public service announcements and in-person meetings around the country.

USDA said individuals interested in participating in the claims process may register to receive a claims package or obtain more information by visiting its new [Women and Hispanic Claims Program website](#).

USDA also said that, beginning March 15, individuals can register to receive a claims package by calling the Farmer and Rancher Call Center at 1-888-508-4429.