

## **STATE REGULATION AND SUPPORT OF THE USE OF THE RESOURCE POTENTIAL OF MORTGAGE LENDING IN THE AGRARIAN SECTOR**

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The experience of the most developed countries of the world shows that mortgage lending is a powerful and important instrument of financial and economic transformation in the state. The role of mortgage lending is also very important for the agrarian sector of the economy as it is one of the few tools for attracting long-term financial resources to the development of agricultural production.

The legal basis for the functioning of mortgage lending in Ukraine is defined by the Constitution of Ukraine, the Civil, Land and Commercial Codes of Ukraine, and by the Law of Ukraine "On Mortgage".

Organizational methods of state regulation and support of the use of the resource potential of mortgage lending in the agrarian sector should include: a system of specialized mortgage lending institutions, including a state mortgage institution; the system of state registration of rights to real estate and mortgages, the state land cadastre; system of notarial services; appraisal, insurance, judicial activity; stock market and securities markets; bureau of credit histories, etc.

Among the forms of support and regulation of the use of the resource potential of mortgage lending in the agricultural sector are the indirect and direct forms.

An indirect form of regulation and support involves creating a favorable macro-economic environment for the development of land mortgage lending and maintaining a favorable investment climate in the country. It is achieved through the use of monetary and fiscal policy instruments.

Direct form of regulation and support of the use of the resource potential of mortgage lending in the agrarian sector implies a direct involvement of the state in the credit process.

The application of various forms and methods of regulation and support of the use of the resource potential of mortgage lending in the agrarian sector is not new for Ukraine. The system of land mortgage lending has more than 140 years history in our state. Thus, lending for mortgaged land plots in the early 20th century amounted to almost 70% of all loans issued at that time.

To improve state regulation we propose to introduce an experiment on mortgages of agricultural land plots and attracting financial resources for this process in 2-3 districts or united territorial communities of Ukraine, which will make it possible, within one to two years, to identify all the gaps in the current legislation and improve the process of granting mortgages on land plots in rural areas of the economic purpose.