



April 24, 1992

FmHA AN No. 2528 (1951)

SUBJECT: Notices to Farmer Programs Borrowers With Pending Applications
For Loan Servicing Submitted After November 28, 1990, In
Response to Notices Sent Prior to That Date

TO: State Directors, District Directors and County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance for renotifying the subject borrowers that they will need to reapply for loan servicing programs due to the changes required by the Food, Agriculture, Conservation, and Trade Act (FACT ACT) of 1990. The intended outcome is to provide primary and preservation loan servicing to all eligible Farmer Programs' borrowers who are in need of such assistance. This AN is being issued in conjunction with the publication of the final rule implementing certain provisions of the 1990 FACT ACT.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject. However, there are two unnumbered letters that have expired relating to this subject. The December 18, 1990 unnumbered letter that expired on November 30, 1991 directed you not to process applications received after November 28, 1990, and to notify such applicants that their requests for servicing would be held in abeyance until regulations were issued to implement the 1990 FACT ACT. The later unnumbered letter, dated January 24, 1991, that expired on January 31, 1992 authorized rescheduling, reamortization, consolidation, and deferral at the regular or limited resource interest rate, for borrowers who requested such loan servicing programs after November 28, 1990. However, this letter did not authorize writedown or buyout. Further, the letter provided that if borrowers' accounts could not be restructured using rescheduling, reamortization, consolidation, and deferral, they would be notified in writing that FmHA could not process their requests and that their applications would be held in abeyance until such time as FmHA could implement the provisions of the 1990 FACT ACT through its regulations.

EXPIRATION DATE: January 31, 1993

FILING INSTRUCTION:
Preceding FmHA
Instruction 1951-S



IMPLEMENTATION RESPONSIBILITIES:

The attachment to this AN must be mailed with the notice package (Exhibit A, Attachments 1 and 2, or 3 and 4, as appropriate) to those borrowers with pending applications who were sent the notice package prior to November 28, 1990, and filed a complete application after that date. All documents included in the loan servicing application will be returned to the borrower. The existing applications will be withdrawn and no appeal rights given. All primary and preservation loan servicing applications received after November 28, 1990 will be processed as "NEW APPLICATIONS" under FmHA Instruction 1951-S.

If you have any questions please contact Veldon Hall, Director, Farmer Programs Loan Servicing and Property Management Division at 720-4572.

ANY REVISIONS OR MODIFICATIONS TO THIS AN THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR, FARMER PROGRAMS BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH STATE LAW.



LA VERNE AUSMAN
Administrator

Attachment

Sent Time Delay Option to States at 1:57 pm on 4/30/92 to Districts at 3:30 pm on 4/30/92 and Counties at 8:00 am on 5/1/92 by ASD.

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(TO BE USED TO NOTIFY FMHA FARMER PROGRAMS BORROWERS WITH PENDING APPLICATIONS FOR LOAN SERVICING SUBMITTED AFTER NOVEMBER 28, 1990, IN RESPONSE TO NOTICES SENT PRIOR TO THAT DATE THAT THEY MUST REAPPLY)

Dear (Borrower's name):

On November 28, 1990, the Food, Agriculture, Conservation, and Trade Act (FACT ACT) of 1990 was signed into law. The FACT ACT required substantial changes for processing primary and preservation loan servicing requests submitted after that date. Therefore, your application currently on file is being withdrawn and returned to you. You must reapply with a new application. You should read carefully the information attached to this letter for guidance on how to complete and submit your new application.

I encourage you to contact this office if you have any questions.

Sincerely,

County Supervisor
Farmers Home Administration
United States Department of Agriculture

Attachment