



United States  
Department of  
Agriculture

Consolidated  
Farm Service  
Agency

P.O. Box 2415  
Washington, D.C.  
20013-2415

FmHA AN No. 3176 (1945)  
July 17, 1995

TO: Acting State Directors, District Directors,  
County Supervisors and Program Review Assistants  
Rural Economic and Community Development

ATTN: Farmer Programs Chiefs

FROM: Lou Anne Kling *Lou Anne Kling*  
Acting Deputy Administrator for  
Farm Credit Programs

SUBJECT: Waiver of Crop Insurance Requirement for 1994

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to inform field offices of the waiver of crop insurance requirements for 1994. In addition, this AN will provide guidance on how to notify applicants who did not apply for or who were denied Emergency (EM) loan assistance because of the crop insurance requirement.

**COMPARISON TO ANY OTHER AN:**

There is no previous AN addressing this issue.

**IMPLEMENTATION RESPONSIBILITIES:**

The crop insurance requirement for EM loans is based on section 321(b) of the Consolidated Farm and Rural Development Act. However, because of other statutory provisions in the Department of Agriculture and Related Agencies Appropriations Act of 1995 (Pub. L. 103-330) and the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101-624), we have the authority to waive the crop insurance requirements for 1994 crops.

**THE AGENCY MAY MAKE EM LOANS TO ELIGIBLE APPLICANTS EVEN IF CROP INSURANCE WAS AVAILABLE IN THE COUNTY IN 1994.**

EXPIRATION DATE: December 31, 1995

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1945-D

Some applicants may have been denied EM assistance or discouraged from applying because crop insurance had been available for the 1994 crop. Therefore, county offices with designations for crop losses as a result of 1994 disasters (regardless of the termination date) will immediately evaluate all applications received in calendar years 1994 and 1995 that relate to crop losses in 1994.

Any applicant who applied for an EM loan but was denied solely because crop insurance had been available will be notified by letter that the crop insurance requirement has been waived. This includes applicants who applied for EM loans but were denied solely because of the crop insurance provisions and received other assistance in lieu of an EM loan.

Those applicants will be given 30 days to submit the information needed to evaluate whether they are eligible for EM Assistance in accordance with FmHA Instruction 1945-D and this AN. The letter to the applicant will include a list of all information needed for a complete application.

Applications of those who respond and request EM assistance will be re-activated. The County Office will enter the application into the Management Record System (MRS) and will use the date the original application was received in the "APPLICATION RECEIVED" field. The "APPLICATION COMPLETE" field will be entered when the application is complete and all information to determine eligibility is received. **APPLICANTS WHO DO NOT RESPOND TO THE NOTICE WITHIN 30 DAYS WILL BE GIVEN NO FURTHER CONSIDERATION FOR EM ASSISTANCE ON THE 1994 CROP.**

In addition, County Supervisors will submit the attached news release to all major newspapers serving their area if the termination date for EM applications has not yet closed in their area. This news release will be submitted not later than August 1, 1995. This news release will notify those who sustained a crop loss in calendar year 1994 of the crop insurance waiver and that they may apply for EM assistance.

Those wishing to apply for EM assistance generally will be given 30 days to submit an application. However, no applications may be accepted after the 8-month termination period. Applicants who applied within the 8-month period and whose application was rejected or who attempted to apply and were not allowed to complete the application within the 8-month period will have their application considered as timely filed. **APPLICANTS WHO DO NOT RESPOND BY THE DATE GIVEN IN THE NEWS RELEASE WILL RECEIVE NO FURTHER CONSIDERATION FOR EM ASSISTANCE ON THE 1994 CROP LOSS.**

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Complete applications must be processed in a timely manner and in accordance with the requirements of FmHA Instruction 1910-A, section 1910.4(i).

District Directors are responsible for monitoring county office activities to assure that this process is completed as required in this AN. Farmer Programs Chiefs and State Directors will work with the county and district offices to implement this AN in a timely manner and with the National office if additional guidance is needed.

**THIS AN MAY NOT BE REVISED AND REISSUED BY STATE DIRECTORS WITHOUT PRIOR APPROVAL BY THE ACTING DEPUTY ADMINISTRATOR, FARM CREDIT PROGRAMS, UNLESS MODIFICATION IS NECESSARY TO COMPLY WITH STATE LAW.**

Questions pertaining to this AN may be directed through the state office to the Farm Credit Programs Loan Making Division at (202) 720-1638.

Attachment - Press release

Sent by Telemail on 7-18-95 at 4:27 by GSS.

FOR IMMEDIATE RELEASE

FARMERS MAY BE ELIGIBLE FOR USDA LOANS FOR 1994 DISASTERS

(Name) County farmers (and ranchers) may be eligible for emergency loans to help cover losses they sustained as a result of the (drought/late freeze/flood etc.) during 1994, according to (Name), Consolidated Farm Service Agency County Supervisor.

(Name) said that any farmer who was denied an emergency loan or discouraged from applying for a loan because he or she did not have crop insurance for the 1994 crop might be eligible for a loan since the crop insurance requirement for 1994 has been waived by the Agency.

"Any farmer (or rancher) in that category who is interested in a loan should visit the Consolidated Farm Service Agency county office as soon as possible," (Name) said. "In any case, they must apply no later than (30 days from publication date). However, no applications may be accepted after the 8-month termination date for the particular disaster."