UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-45

1922-E, 1951-S

For: State and County Offices

Guide Letters to Notify FLP Borrowers of Adverse Decisions

Approved by: Acting Deputy Administrator, Farm Loan Programs

1 Overview

A Background

Guidance has been issued for notifying borrowers of appeal and review rights for decisions rendered as a result of loan making and normal routine servicing decisions. Such guidance also instructed decisionmakers not to provide mediation in subsequent FmHA Instruction 1951-S servicing decisions.

B Purpose

This notice:

- provides guide letters to use when notifying applicants and borrowers of appeal and review rights related to:
  - loan making and servicing
  - FmHA Instruction 1951-S servicing and subsequent servicing actions
  - nonprogram and nonappealable issues
- includes new Equal Credit Opportunity Act (ECOA) language for letters (different from Notice FC-213)
- provides instructions for notifying borrowers of their rights when an appraisal is involved in the decisionmaking process for loan making and loan servicing decisions.

C Contact

Direct questions about this notice as follows:

- Service Centers shall contact the State Office
- State Offices shall contact David Spillman, LSPMD, at 202-720-0900 or Chuck Ropp, LMD, at 202-720-1472, as applicable.

Disposal Date	Distribution
April 1, 2000	State Offices; State Offices relay to Service Centers

2 Action

A Guide Letters

The guide letters in Exhibits 1 through 8 apply to adverse decisions rendered as a result of decisions related to FLP, except for FmHA Instruction 1951-S primary loan servicing. For FmHA Instruction 1951-S servicing:

- FmHA Instruction 1951-S exhibits and attachments should be used when available
- mediation is offered in FmHA Instruction 1951-S, Exhibit E
- FSA may be required to participate in other forms of alternative dispute resolution (ADR), in addition to the mediation described in FmHA Instruction 1951-S, Exhibit E

  Notes: ADR is any procedure used to resolve issues in controversy, such as conciliation, facilitation, mediation, fact-finding, mini-trials, or arbitration.

  Participants in National Appeals Division (NAD) appeals may use any available ADR program, including a State-certified mediation program, to resolve an adverse decision before a NAD hearing under 7 CFR 11.8.

- current or financially distressed borrowers, will receive exhibits attached to this notice, which include mediation rights
- adverse actions subsequent to FmHA Instruction 1951-S, when FmHA Instruction 1951-S did not resolve the borrower's default, must now include all appeal rights, including mediation, unless otherwise indicated.

Note: Letters for COC decisions are included, even though COC no longer makes eligibility, beginning farmer or rancher, or borrower training determinations for farm loan applications. COC's, however, will be involved in certain loan servicing actions, such as debt settlement decisions. In such cases, the letters for adverse COC decisions should be used.

B Nonprogram Borrowers

Nonprogram borrowers will be:

- serviced according to FmHA Instruction 1951-J
- notified of adverse actions using FmHA Instruction 1951-J-3 instead of this notice.

Continued on the next page

2 Action (Continued)

C
Adverse Decisions Involving an Appraisal

If an adverse decision involves an appraisal, the paragraph for "independent appraisal" in Exhibit 1 will be used. This wording will be used for all loan making and servicing decisions involving an appraisal, except when either of the following occurs:

- FmHA Instruction 1951-S exhibits or attachments are required
- the appraisal has already been involved in a decision where appeal rights were offered.

The appraisal paragraphs provide the borrower the opportunity to submit an independent appraisal or discuss any mathematical or property description errors with the Agency. The applicant or borrower:

- has 30 calendar days from the date of the adverse letter to submit an independent appraisal
- must pay the entire cost of the appraisal.

The appraiser and appraisal must comply with FmHA Instruction 1922-E. A copy of the appraisal instructions and a list of qualified appraisers will be provided to the applicant or borrower upon request. A copy of the FSA appraisal must be provided to the applicant or borrower within 5 calendar days of the date the request is received.

After the borrower's appraisal is received, FSA will determine whether the appraiser and appraisal meet FSA regulations. If the appraisal and appraiser are satisfactory and the value is within 5 percent of the FSA appraisal, the applicant or borrower must select which appraisal of the 2 to use in processing the loan or servicing request. The appraisal selected will be the final appraisal and cannot be further appealed. If the difference is more than 5 percent, the FSA appraisal will be used and the applicant or borrower will be provided the opportunity to appeal the appraisal and any other issues related to the FSA decision.

D
New ECOA Language

New ECOA language has been incorporated into the guide letters in Exhibits 1 through 8. If ECOA language is removed from the body of the letter, the ECOA language must then be part of the FSA logo at the bottom of the letter.

E
Obsolete Material

Notice FC-213 is obsolete.

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decisions Made by Loan Officials When the Decision Is Appealable

Dear *(insert name)*:

We are (*denying your application for _____) (canceling your current assistance) (reducing your current assistance)*. Our decision is based on the following factual determination and reasons:

(Insert all specific facts and reasons for the adverse decision, with appropriate regulatory references.)

If you believe our decision is wrong, you have the following options:

Option #1: Reconsideration

You may ask us to reconsider our decision. If you want this option, write to *(insert local office mailing address)*. Your written request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. Provide any new information, documentation, or possible options with your request. You may bring a representative, including a lawyer, to any meeting we have. If you do not request reconsideration by *(insert date for 30 calendar days from the date of this letter*), you waive your right to reconsideration. Once you seek mediation or appeal to the National Appeals Division (NAD), you may not request reconsideration.

(If a new appraisal is involved, insert the following independent appraisal paragraphs.)

Option #2: Independent Appraisal

If you believe the appraisal FSA obtained is incorrect, you may obtain another appraisal and submit it to us. If you want this option, obtain a current independent appraisal from a qualified appraiser. You must pay for this appraisal. The appraiser and the appraisal must meet standards contained in FSA regulations. You may request a copy of the regulations from the local office. If you cannot find a qualified appraiser, a list of qualified appraisers is available in the local office. Your appraisal must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. You may request a copy of the FSA appraisal. We will provide you with a copy within five days of your request. If you do not submit an independent appraisal to us by *(insert date for 30 calendar days from the date of this letter)*, you waive your right to have us reconsider the appraisal.

If you submit your appraisal, we will determine whether the appraiser and appraisal meet FSA requirements. If your submitted appraisal meets FSA requirements and is within five percent of the FSA appraisal amount, you will be asked to select which appraisal you want FSA to use in processing your request. The appraisal you select will be the final appraisal. It cannot be appealed. If the difference is more than five percent, we will use our appraisal and you may seek mediation or appeal our appraisal.

Continued on the next page

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decisions Made by Loan Officials When the Decision Is Appealable (Continued)

If you would like to discuss the appraisal, or you believe there are errors, including mathematical or property description errors in the appraisal, you should immediately contact us.

If you choose not to submit an independent appraisal, you may appeal the appraisal directly to the National Appeals Division (NAD). You should provide a copy of an independent appraisal, if available, to NAD before the appeal hearing. A copy of the appraisal should also be provided to FSA. The independent appraisal must comply with FSA requirements.

Option #3: Mediation or Alternative Dispute Resolution (ADR) (as applicable)

(Insert this paragraph in States with Certified Mediation Programs.)

You may request mediation of this decision under the *(insert State name)* Mediation Program. We will participate with you in the mediation. We may resolve our disagreement through mediation. To request mediation, write to *(insert name, address, and FAX number of the State Mediation Program)*. Your request must be received or postmarked, if mailed, no later than *(insert date for 30 calendar days from the date of this letter)*. Send a copy of your request to *(insert SED's name, address, and FAX number)*. If mediation does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After mediation, you will be notified of the result and the time you have to appeal. You may appeal without mediation. Once your NAD appeal hearing begins, you may not request mediation.

(Insert this paragraph in States without Certified Mediation Programs.)

You may request mediation, nonbinding arbitration, or other form of alternative dispute resolution (ADR). We may resolve our disagreement through ADR. You may have to pay the entire cost of ADR. We will participate in ADR if you choose this option and if you pay the appropriate fee. To request ADR, write to *(insert SED's name, address, and FAX number)*. Your request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. We will tell you about the cost and procedures of mediation. If ADR does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After ADR, you will be notified of the result and the time you have to appeal. You may appeal to NAD without ADR. Once your NAD appeal hearing begins, you may not request ADR.

Continued on the next page

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decisions Made by Loan Officials When the Decision Is Appealable (Continued)

Option #4: NAD Appeal

You may appeal our decision directly to the National Appeals Division (NAD) without requesting reconsideration or *(mediation or ADR)*. To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- my name and address.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements. Once your NAD appeal hearing begins, you may not request *(mediation or ADR)*.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of decisionmaker)

Letter to Notify Applicants, Lenders, Holders, and Borrowers of Decisions Made by COC When the Decision Is Appealable

Dear *(insert name)*:

The (insert county name) County Committee (COC) (*denied your application for _____) ((canceling)(reducing) your current assistance)*. Its decision is based on the following factual determination and reasons:

(Insert all specific facts and reasons for the adverse decision, with appropriate regulatory references.)

If you believe this decision is wrong, you have the following options:

Option #1: Reconsideration

You may ask the committee to reconsider its decision. If you want this option, write to *(insert local office mailing address)*. Your written request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. Provide any new information, documentation, or possible options with your request. You may bring a representative, including a lawyer, to any meeting. If you do not request reconsideration by *(insert date for 30 calendar days from the date of this letter),* you waive your right to reconsideration. Once you seek mediation or appeal to the National Appeals Division (NAD), you may not request reconsideration.

Option #2: Mediation or Alternative Dispute Resolution (ADR) (as applicable)

(Insert this paragraph in States with Certified Mediation Programs.)

You may request mediation of this decision under the *(insert State name)* Mediation Program. We will participate with you in the mediation. We may resolve our disagreement through mediation. To request mediation, write to *(insert name, address, and FAX number of the State Mediation Program)*. Your request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. Send a copy of your request to *(insert SED's name, address, and FAX number)*. If mediation does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After mediation, you will be notified of the result and the time you have to appeal. You may appeal without mediation. Once your NAD appeal hearing begins, you may not request mediation.

(Insert this paragraph in States without Certified Mediation Programs.)

You may request mediation, nonbinding arbitration, or other form of alternative dispute resolution (ADR). We may resolve our disagreement through ADR. You may have to pay the entire cost of ADR. We will participate in ADR if you choose this option and if you pay the appropriate fee. To request ADR, write to *(insert SED's name, address, and FAX number)*. Your request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. We will tell you about the cost and procedures of mediation. If ADR does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After ADR, you will be notified of the result and the time you have to appeal. You may appeal without ADR. Once your NAD appeal hearing begins, you may not request ADR.

Continued on the next page

Letter to Notify Applicants, Lenders, Holders, and Borrowers of Decisions Made by COC When the Decision Is Appealable (Continued)

NAD Appeal

Option #3: Appeal to State Committee (STC)

You may appeal the County Committee's decision to the State Committee. To appeal, you must write to *(insert SED's name, address, and FAX number)*. Your request must be received, postmarked, if mailed, or FAXed no later than *(insert date for 30 calendar days from the date of this letter)*. SED will advise you of the time and place of any hearing and any procedural requirements. Once your STC appeal hearing begins, you may not request *(mediation or ADR)* or reconsideration. If the State Committee upholds the County Committee's decision, you will be provided further appeal and reconsideration rights. You may appeal to the State Committee and later appeal to the National Appeals Division.

Option #4: Appeal to National Appeals Division (NAD)

You may appeal the County Committee's decision directly to National Appeals Division without requesting reconsideration, mediation, or appealing to the STC. To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- name and address of the County Committee.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements. Once your NAD appeal hearing begins, you may not request *(mediation or ADR)*.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of CED or Servicing Official)

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decision Reached as a Result of Reconsideration (Meeting) on Decisions Made by Loan Officials

Dear *(insert name)*:

We have reconsidered the decision related to (*your application)(request for FSA assistance)*.

(Insert the adverse decision and all specific facts and reasons for the decision with appropriate regulatory references. Identify those items listed in the original letter that have been adequately resolved and those, if any, that were not resolved.)

If you believe our decision is wrong, you have the following options:

(Do not insert the following mediation paragraph if the decision relates to 1951-S Primary Loan Servicing for a delinquent or nonmonetary default borrower.)

Option #1: Mediation or Alternative Dispute Resolution (ADR) (as applicable)

(Insert this paragraph in States with Certified Mediation Programs.)

You may request mediation of this decision under the *(insert State name)* Mediation Program. We will participate with you in the mediation. We may resolve our disagreement through mediation. To request mediation, write to *(insert name, address, and FAX number of the State Mediation Program)*. Your request must be received or postmarked, if mailed, no later than *(insert date for 30 calendar days from the date of this letter)*. Send a copy of your request to *(insert SED's name, address, and FAX number)*. If mediation does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After mediation, you will be notified of the result and the time you have to appeal. You may appeal without mediation. Once your NAD appeal hearing begins, you may not request mediation.

(Insert this paragraph in States without Certified Mediation Programs.)

You may request mediation, nonbinding arbitration, or other form of ADR. We may resolve our disagreement through ADR. You may have to pay the entire cost of ADR. We will participate in ADR if you choose this option and if you pay the appropriate fee. To request ADR, write to *(insert SED's name, address, and FAX number)*. Your request must be received or, if mailed, postmarked no later than *(insert date for 30 calendar days from the date of this letter)*. We will tell you about the cost and procedures of mediation. If ADR does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After ADR, you will be notified of the result and the time you have to appeal. You may appeal to NAD without ADR. Once your NAD appeal hearing begins, you may not request ADR.

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Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decision Reached as a Result of Reconsideration (Meeting) on Decisions Made by Loan Officials (Continued)

Option #2: NAD Appeal

You may appeal our decision directly to the National Appeals Division (NAD) without requesting ADR, including mediation. To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- my name and address.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements. Once your NAD appeal hearing begins, you may not request *(mediation or ADR)*.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of decisionmaker)

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decision Reached as a Result of Reconsideration for Decisions Made by COC

Dear *(insert name)*:

The *(insert county name)* County Committee has reconsidered its decision related to (*your application)(request for FSA assistance)*.

(Insert the decision and all specific facts and reasons for the decision with appropriate regulatory references. Identify those items listed in the original letter that have been adequately resolved and those, if any, that were not resolved.)

If you still believe the decision is wrong, you have the following options:

(Do not insert the following mediation paragraph if the decision relates to 1951-S or subsequent servicing.)

Option #1: Mediation or Alternative Dispute Resolution (ADR) (as applicable)

(Insert this paragraph in States with Certified Mediation Programs.)

You may request mediation of this decision under the *(insert State name)* Mediation Program. We will participate with you in the mediation. We may resolve our disagreement through mediation. To request mediation, write to *(insert name, address, and FAX number of the State Mediation Program)*. Your request must be received or postmarked, if mailed, no later than *(insert date for 30 calendar days from the date of this letter)*. Send a copy of your request to *(insert SED's name, address, and FAX number)*. If mediation does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After mediation, you will be notified of the result and the time you have to appeal. You may appeal without mediation. Once your NAD appeal hearing begins, you may not request mediation.

(Insert this paragraph in States without Certified Mediation Programs.)

You may request mediation, nonbinding arbitration, or other form of ADR. We may resolve our disagreement through ADR. You may have to pay the entire cost of ADR. We will participate in ADR if you choose this option and if you pay the appropriate fee. To request ADR, write to *(insert SED's name, address, and FAX number)*. Your request must be received or postmarked, if mailed, no later than *(insert date for 30 calendar days from the date of this letter)*. We will tell you about the cost and procedures of mediation. If ADR does not resolve our disagreement, you may appeal to the National Appeals Division (NAD). After ADR, you will be notified of the result and the time you have to appeal. You may appeal to NAD without ADR. Once your NAD appeal hearing begins, you may not request ADR.

Continued on the next page

Letter for Notifying Applicants, Lenders, Holders, and Borrowers of Decision Reached as a Result of Reconsideration for Decisions Made by COC (Continued)

NAD Appeal

Option #2: Appeal to State Committee (STC)

You may appeal the County Committee's decision to the State Committee. To appeal, you must write to *(insert SED's name, address, and FAX number)*. Your request must be received, postmarked, if mailed, or FAXed no later than *(insert date for 30 calendar days from the date of this letter)*. The State Executive Director will advise you of the time and place of any hearing and any procedural requirements. Once your appeal hearing begins, you may not request *(mediation or ADR)*. If the State Committee upholds the County Committee's decision, you will be provided further appeal and reconsideration rights. You may appeal to the State Committee and later appeal to the National Appeals Division (NAD).

Option #3: Appeal to National Appeals Division (NAD)

You may appeal the County Committee's decision directly to the National Appeals Division without requesting reconsideration or mediation. To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- name and address of the County Committee.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements. Once your NAD appeal hearing begins, you may not request *(mediation or ADR)*.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of CED or Servicing Official)

Letter for Notifying Applicants, Lenders, Holders, and Borrowers That Mediation or ADR Did Not Result in Resolution of Issues When Decision Was Made by the Loan Official

Dear *(insert name)*:

We have been notified by the *(insert name of Mediation Program or ADR facilitator)* that your (mediation)(ADR proceeding) has been closed.

(Insert all specific facts and reasons for the adverse decision with appropriate regulatory references. These must be the same reasons listed in the original decision letter. Indicate which issues were resolved and which ones remain unresolved.)

If you still believe our decision is wrong, you have the right to appeal.

NAD Appeal

You may appeal our decision to the National Appeals Division (NAD). To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address.)* Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- my name and address.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of decisionmaker)

Letter Notifying Applicants, Lenders, Holders, and Borrowers That Mediation or ADR Did Not Result in Resolution of Issues When Decision Was Made by COC

Dear *(insert name)*:

We have been notified by the *(insert name of Mediation Program or ADR facilitator)* that your (mediation)(ADR proceeding) has been closed.

(Insert all specific facts and reasons for the adverse decision with appropriate regulatory references. These must be the same reasons listed in the original decision letter. Indicate which issues were resolved and which ones remain unresolved.)

If you still believe the County Committee's decision is wrong, you have the right to appeal.

NAD Appeal

Option #1: Appeal to State Committee (STC)

You may appeal the County Committee's decision to State Committee. To appeal, you must write to *(insert SED's name, address, and FAX number)*. Your request must be received, postmarked, if mailed, or FAXed no later than *(insert 30 calendar days from the date of this letter)*. State Executive Director will advise you of the time and place of any hearing and any procedural requirements. If the State Committee upholds the County Committee's decision, you will be provided further appeal and reconsideration rights.

Option #2 Appeal to National Appeals Division (NAD)

You may appeal the County Committee's decision to the National Appeals Division (NAD). To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- name and address of the county committee.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements.

(Insert the following ECOA language if not part of the logo.)

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Letter Notifying Applicants, Lenders, Holders, and Borrowers That Mediation or ADR Did Not Result in Resolution of Issues When Decision Was Made by COC (Continued)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of CED or Servicing Official)

Letter Notifying Applicants, Lenders, Holders, and Borrowers of STC Decision to Uphold COC Determination

Dear *(insert name)*:

We have reviewed the *(insert County name)* County Committee's decision related to (*your application)(request for FSA assistance)*.

(Insert the decision and all specific facts and reasons for the decision with appropriate regulatory references. Identify those items listed in the original letter that have been adequately resolved and those, if any, that were not resolved.)

If you believe our decision is wrong, you have the following options:

Option #1: Reconsideration

You may ask the State Committee to reconsider its determination. If you want the decision reconsidered, write to *(insert local office mailing address)*. Your written request must be received or postmarked, if mailed, no later than *(insert date for 30 calendar days from the date of this letter)*. Provide any new information, documentation, or possible options with your request. You may bring a representative, including a lawyer, to any meeting. If you do not request reconsideration by *(insert date for 30 calendar days from the date of this letter),* you waive your right to reconsideration.

Option #2: Appeal to National Appeals Division (NAD)

You may appeal this decision to the National Appeals Division (NAD). To appeal, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 calendar days from your receipt of this letter. Your request must include the following information:

- a copy of this letter
- a statement explaining why our decision is wrong
- your name, address, and telephone number
- name and address of the State Committee.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of the time and place of any hearing and any procedural requirements.

(Insert the following ECOA language if not part of the logo.)

Continued on the next page

Letter Notifying Applicants, Lenders, Holders, and Borrowers of STC Decision to Uphold COC Determination (Continued)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of SED)

Letter Notifying Applicants, Lenders, Holders, and Borrowers of Adverse Decisions That Are Not Appealable

Dear *(insert name)*:

We are (*denying your application for _____)((canceling)(reducing) your current assistance)*. Our decision is based on the following factual determination and reasons:

(Insert all specific facts and reasons for the adverse decision, with appropriate regulatory references.)

This determination is not appealable. However, you may request the National Appeals Division (NAD) to review our determination that this decision may not be appealed. To request a review, you must write to the Office of the Area Supervisor, National Appeals Division *(insert address)*. Your request must be made within 30 days from your receipt of this letter. Your request should include the following information:

- a copy of this letter
- a statement explaining why you believe our decision is appealable
- your name, address, and telephone number
- my name and address.

Send a copy of your request and attachments to me at *(insert address)*. NAD will advise you of its final determination of appealability.

(Insert the following ECOA language if not part of the logo.)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If you believe that you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, DC 20250-9410.

Sincerely,

_____

(Insert signature and title of decisionmaker)