

For: State and County Offices

Using 51-S Flag

Approved by: Acting Deputy Administrator, Farm Loan Programs

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1 Overview

A

Background

The 51-S flag which is referenced in FmHA Instruction 1951-S, Exhibit O, is currently used to identify accounts where certain actions cannot be completed because of pending automation modifications. There should be few such cases remaining. Therefore, this use is being discontinued and a new use is established for the flag.

According to this notice, 51-S flag will be used to indicate borrowers who have been notified of their opportunity to apply for primary loan servicing. This will benefit the Agency by making it easier to identify those borrowers who are subject to the offset process.

B

Purpose

This notice:

- provides guidance in removing current 51-S flags
- establishes a new use for that flag.

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Contact

If there are any questions, County Offices shall contact the State Office and State Offices shall contact Mary Durkin, LSPMD, at 202-720-1658.

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| Disposal Date | Distribution |
| January 1, 2003 | State Offices, State Offices relay to County Offices |

Notice FLP-267

2 Action

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Farm Loan Chief (FLC) Action

FLC's are responsible for immediately reviewing any accounts currently flagged 51-S. All 51-S flags shall be removed by immediately.

FLC's shall do the following:

- work with the Finance Office and the National Office to resolve any outstanding automation problems on these accounts
 - keep a manual list of these accounts as those resolutions proceed.
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B

Using 51-S Flag

Effective immediately, the 51-S flag will be placed on the account by the local office when the primary loan servicing packet is mailed to the borrower according to FmHA Instruction 1951-S. The flag will remain on the account until the servicing process has been completed and the problem resolved or the account accelerated.

FLC's shall work with the Farm Loan Managers to ensure that all borrowers who are currently in the primary loan servicing process, and all borrowers who receive loan servicing packets in the future, are flagged accordingly. Exhibit O to FmHA Instruction 1951-S will be revised in the near future.
