



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1824 (1956)

November 18, 1988

SUBJECT: Debt Settlement of Nonprogram (NP), Economic Opportunity (EO) Loans, and Claims Against Third Party Converters, and Housing Loans other than Single Family Housing

TO: State Directors, District Directors, and County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this AN is to give an explanation of the settlement of loans and claims under the Federal Claims Collection Act regarding the approval authority of the United States Attorney and the meaning of "the gross original amount." This AN is also issued to clarify directions concerning debt settlement actions made in AN No. 1766 (1956), dated June 28, 1988.

COMPARISON WITH PREVIOUS AN:

This AN supersedes FmHA AN No. 1766 (1956) dated June 28, 1988.

IMPLEMENTATION RESPONSIBILITIES:

The Department of Justice, Commercial Litigation Branch, which has the responsibilities for reviewing debt settlements under the Federal Claims Collection Act, has informed us that the settlement authority of the United States Attorney has been raised to \$200,000. Therefore, those loans and claims with a current outstanding principal balance (exclusive of interest) over \$20,000, but less than \$200,000, (inclusive of interest) should be referred to the United States Attorney in whose judicial district the debtor can be found. Also, in determining where to refer a debt settlement, the phrase "gross original amount," will be interpreted as meaning the present gross amount of the claim at the time of debt settlement, not the initial principal balance.

VANCE L. CLARK  
Administrator

EXPIRATION DATE: September 30, 1989

Filing Instructions:  
Preceding FmHA  
Instruction 1956-B



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