



FmHA AN No. 2803 (1951)

May 26, 1993

SUBJECT: Limited Resource Reviews for Borrowers Being
Serviced Under FmHA Instruction 1951-S

TO: State Directors, District Directors and County
Supervisors

ATTN: Farmer Programs and Internal Controls

PURPOSE AND INTENDED OUTCOME:

This Administrative Notice (AN) explains the procedure for County Offices to document the performance of a limited resource review on a borrower being serviced in accordance with FmHA Instruction 1951-S.

COMPARISON TO PREVIOUS AN:

There are no previous AN's on this subject.

IMPLEMENTATION RESPONSIBILITIES:

All Limited Resource loans must be reviewed annually and the date of the review input on ADPS. Whenever the borrower's current income warrants, the loan interest rate may be raised and the payment amount altered. In many instances, borrowers due to have their loans reviewed have requested servicing or are currently being serviced under FmHA Instruction 1951-S. In these cases, the lack of adequate cash-flow to justify increasing the borrower's interest rate is obvious. The FmHA DALR\$ program will automatically review the borrower's cash-flow and adjust interest rates and payments as necessary to develop a feasible repayment plan. Therefore, if a borrower cash-flow has been input into DALR\$, this will serve as a review of their limited resource loan, in accordance with Section 1951.25 of FmHA Instruction 1951-A.

EXPIRATION DATE: May 31, 1994

FILING INSTRUCTIONS:
FmHA Instruction 1951-A



Documentation in the case file running record that a review was completed, and the date of the DALR\$ report will be input into ADPS as the date of the review.

Limited resource reviews completed on all other borrowers should be completed in a timely manner and thoroughly documented in accordance with Section 1951.25 of FmHA Instruction 1951-A.

If you have any questions, you may call Phillip Elder, Farmer Programs Loan Servicing and Property Management Division, at (202) 690-4020.

for Bonnie S. Hampton
SHARRON S. LONGINO
Acting Administrator

Sent by Electronic Mail on 6/1/93 at 3:45 pm GSS. The State Director should advise other personnel as appropriate.