

**For:** State and County Offices

**Instructions for Handling Incorrect FSFL Repayment Receipts  
and Notification Letters Generated in APSS**

**Approved by:** Acting Deputy Administrator, Farm Programs



## 1 Overview

### A Background

Notice FSFL-97 was issued to State and County Offices on February 26, 2014, which provided instructions on handling notification letters. County Offices are instructed **not** to follow Notice FSFL-97. This notice replaces Notice FSFL-97 and provides clarification and additional instructions for handling notification letters.

APSS generates an FSFL repayment receipt when a repayment is applied using either the “Lump Sum Repayment” or “Loan Payoff” option. The receipt prints the following:

- FSFL information
- repayment information
- principal balance due, if behind schedule
- County Office information.

Currently, when FSFL repayments are applied to outstanding loans before the due date, or that cover more than the installment amount, the software may generate a repayment receipt with amounts that are not as intended for the “Installment Amount Due” and/or “Installment Due Date” when the conditions in subparagraph B apply. The principal and interest calculations are correct; however, some offices have reported that repayment receipts have been printing incorrectly for these fields.

Information Bulletin No. 6320, issued February 28, 2013, notified State and County Offices that FSFL repayment receipts were incorrect. APSS software will be updated to provide the correct amounts for the repayment receipt “Installment Amount Due” and/or “Installment Due Date”.

Repayment receipts are **not** required to be given to the borrower; however, it is a requirement that the receipts are printed and placed in the borrower’s file.

County Offices shall follow instructions provided in this notice for handling incorrect repayment receipts and notification letters.

Disposal Date	Distribution
September 1, 2014 3-12-14	State Offices; State Offices relay to County Offices

## Notice FSFL-100

### 1 Overview (Continued)

#### B Notification Letters

Repayment receipt issues have no bearing on FSFL notification letters. County Offices are reminded **not** to change the amount that prints on the reminder and notification letter. Although these amounts may differ from the amounts on the amortization schedule printed at FSFL disbursement, the amounts on these letters are correct. Differences in the amounts are usually because of the annual installment payment being made on a date other than the actual due date. See 1-FSFL, subparagraph 380 C for the repayment date to enter on Screen VDA11005.

The installment amount due, interest due, and principal due on the notification letters are only the same as the amortization schedule amounts if the following occur.

- The installments are paid on the installment due date every time, with no exceptions. If payment is early or late even once, the amounts will **not** be the same.
- The amount paid is the same as the amortization schedule every time, with no exceptions. If the producer pays extra or not enough, the amounts will **not** be the same.

**Note:** If the County Office has the producer pay any amount other than the notification letter amount, they will almost certainly be either paid ahead or past due and will be shown as such on the FSFL mainframe reports.

Based on the updated information, State and County Offices shall **not** report Remedy Tickets for notification letters that have installment amount due, interest due, or principal due that are different than the amortization schedule as this could possibly be every loan in APSS.

County Offices shall continue to collect repayments according to notification letters that are generated in APSS.

**Note:** A repayment may have already been collected for an amount other than the notification letter amount. If this has occurred, County Offices **must** collect the difference under \$25 with the next repayment. Any amounts due over \$25 shall be collected according to instructions provided in 1-FSFL, subparagraph 158 D.

#### C Purpose

This notice:

- provides State and County Offices with instructions for handling repayment receipts and notification letters
- obsoletes Notice FSFL-97.

**1 Overview (Continued)**

**D Contact**

For automation questions about this notice, State Offices shall contact Stacy Carroll by either of the following:

- e-mail to **stacy.carroll@wdc.usda.gov**
- telephone at 202-690-8037.

**2 Action**

**A State Office Action**

State Offices shall ensure that all County Offices in their State are notified of and comply with the actions in this notice.

**B County Office Action**

County Offices shall:

- continue to collect repayments according to notification letters that are generated in APSS
- **not** report Remedy Tickets for notification letters that have installment amount due, interest due, or principal due that are different than the amortization schedule because of a repayment made in agreement with the example situations provided in subparagraph 1 B
- review FSFL repayment receipts that are generated in APSS carefully to ensure that they are being printed with correct information, specifically for the “Installment Amount Due” and “Installment Due Date”
- provide NRRS repayment receipts to borrowers, if requested, as an alternative until APSS software is enhanced for repayments that result in incorrect receipts

**Note:** Although the interest paid for the year is **not** included on the NRRS receipt, the borrower will receive a 1099 at yearend that provides the interest breakdown.

- print and place a copy of the NRRS repayment receipt in the borrower’s file folder until repayment receipts software corrections have been made.

**Note:** A forthcoming Information Bulletin will be issued notifying State and County Offices when APSS software has been updated for correcting repayment receipts. County Offices shall then continue using repayment receipts as generated and printed in APSS.