

For: County Offices

3-FLP

Suspension of Appraisal Requirements for EM Loans

Approved by: State Executive Director



1 Overview

A

Background

FSA Handbook 3-FLP, Par. 171, gives SED's the ability to waive real estate appraisal requirements for applicants receiving **only** an EM loan.

B

Purpose

This notice:

- Outlines requirements for suspension of appraisal requirements on EM loans
- Establishes guidelines for documentation of security values
- Outlines procedures an applicant to dispute estimated values

C

Contact

Any questions concerning this notice should be directed to the Farm Loan Programs Section in the State Office.

D

Filing Instructions

This Notice should be filed with FLP series Notices and a copy should also be filed preceding Handbook 3-FLP.

Disposal

Distribution

February 1, 2004

County Offices

OK Notice FLP-390

2 Action

A

Appraisal Waiver Requirements

The Agriculture, Rural Development, Food and Drug Administration, and related Agencies Appropriations Act, 1999, Section 802 states that FSA shall not deny EM loan assistance to an applicant who does not have adequate chattel or real estate security for the loan if the loan approval official is reasonably certain that the applicant will be able to repay the loan. When an applicant is receiving **only** an EM loan and the loan approval official reasonably determines that the applicant will be able to repay the loan according to 3-FLP, Par. 168 (F), the requirement for a real estate appraisal is waived. This waiver applies to all applicants meeting the requirements.

B

Documentation of Security Values

When the real estate appraisal is waived, the estimated value of security must be established and documented in the running record by someone **other than the loan approval official** who has been delegated this authority by the SED.

C

Dispute Procedures

Applicant's are allowed to dispute estimated values of security by having an appraisal completed **at their own expense** by an appraiser listed in OK Notice FLP-382, Oklahoma Certified General Appraisers.
