UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
100 USDA, Suite 102
Stillwater, Oklahoma 74074-2653

OK Notice FLP-439

For: County Offices

2-FLP

Guaranteed Loan Insurance Requirements

Approved by: State Executive Director

Jim Reese

1 Overview

A Background

This notice replaces OK Notice FLP-346 issued April 8, 2002.

2 FLP Part 8, Par 138 A Lender must require borrowers to maintain adequate property, public liability, and crop insurance to protect the lender and Government's interests. Although insurance may not be required in every situation, when insurance is warranted, lenders should obtain an assignment, including crop insurance.

B Purpose

This notice provides Oklahoma policy as to the Lender's responsibilities. The STO has become aware that lenders have not been obtaining an assignment on crop insurance.

C Contact

Direct any questions concerning this notice to Patty Wanger at (405) 742-1052 in the Oklahoma State Office.

D Filing Instructions

This notice should be filed with the FLP series Notices.

Disposal Date	Distribution
October 1, 2004	Farm Loan ProgramTeams, County Offices, DD's, COR's

2 ACTION

A County Office Action

Farm Loan Teams shall:

- Ensure lenders require loan applicants to obtain at least the catastrophic risk protection (CAT) level of crop insurance coverage, if available, for each crop of economic significance, as defined by 7 CFR Part 402.
- Include as a requirement on the FSA 1980-15, Conditional Commitment, that the lenders obtain an assignment on all crops of economic significance. The assignment must be maintained in the lender's file.

NOTE: Farm Loan Teams should ensure that a signed 1980-22, Lender Certification, is obtained prior to closing. The Lender is certifying that an assignment has been obtained, according to Item # 6 of the certification. When annual reviews are being completed, Farm Loan Teams are to ensure that the assignments being maintained in the lender file.

B Notice to Lenders

Farm Loan Managers are to ensure that **ALL** lenders are notified of the insurance requirements. A copy of OK Notice FLP-439 is available on the Oklahoma State FSA web site at www.fsa.usda.gov/ok/ and is accessible to the public.