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

OK Notice FLP-490

For: County Offices

2-FLP

Guaranteed Loan Default Status Reports

Approved by: State Executive Director

Jim Reese

1 Overview

A Background

This notice replaces OK Notice FLP-445 issued October 27, 2003.

2 FLP Part 11, Par. 266 B states when a guaranteed loan becomes 30 days past due, and following the lender's meeting or attempts to meet with the borrower, all lenders MUST submit to the Farm Service Agency (FSA), the FSA-1980-44, "Guaranteed Farm Loan Default Status Report" and resubmit the report(s) every 60 days until the default is cured through restructuring or liquidation.

B Purpose

The purpose of this notice is to provide guidance on notification requirements when a lender fails to timely provide the FSA 1980-44, Guaranteed Farm Loan Default Status Reports.

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, 2005	Farm Loan ProgramTeams, County Offices, DD's, COR's

2 ACTION

A County Office Action

Lenders are required to submit the FSA-1980-44, Guaranteed Farm Loan Default Status Report, following the lender-borrower default meeting and every 60 calendar days thereafter. Failure to timely file the reports could result in a reduction of a loss claim.

County Office shall:

- If the FSA-1980-44 is not received as required, the Authorized Agency Official shall contact the lender, inquire as to the status of the account, request that an accurate report be provided, and document in the running record that the contact was made with the lender. This contact should be followed up with the attached Exhibit 1 letter. Send a copy of the letter to the FLP Section in the State Office.

B GLS State Monthly Default Status Report

Once the contact has been made and the letter sent, and the lender does not respond and submit the FSA-1980-44, the Authorized Agency Official shall indicate **"No Response – State Office Notified"** in the "Action" field, on the monthly Default Status Report that is sent to the State Office.

Exhibit 1

United States
Department of
Agriculture

Farm Service Agency

(Servicing FSA Office)
FSA Office
(Address)
(City, State)
(Zip Code)

(Date)

(Lending Institution)
(Lender Representative)
(Lender Address)
(City, State, Zip Code)

RE: Delinquent Guaranteed Loan – (Borrower Name & Case Number)

Dear (Lender Representative):

According to 2-FLP, Part 11, paragraph 266 B, when a guaranteed loan becomes 30 days past due, and following the lender's meeting or attempts to meet with the borrower, all lenders MUST submit to the Farm Service Agency (FSA), the FSA-1980-44, "Guaranteed Farm Loan Default Status Report" and resubmit the report(s) every 60 days until the default is cured through restructuring or liquidation. The purpose of the report(s) is first, to notify FSA that a borrower is in default and second, to report the progress of the lender's attempt to make the loan(s) current or the progress of liquidation, and third, once a loan is brought current, as a means to notify FSA of the new loan terms and conditions. Failure to comply with these requirements is in violation of the lender's agreement and could jeopardize the guarantee or at a minimum, result in a reduction of a loss claim.

Our records indicate that (Lending Institution) has not submitted the required report(s) on the above mentioned borrower.

Please submit the above mentioned report(s) to this office at (County Office Address) within 15 days from the date of this letter. If you are unable to locate these forms, a copy of the form has been attached and can be obtained through this office or at www.fsa.usda.gov/ok.

If you have any questions, please contact this office at (County Office phone number).

Sincerely,

(Authorized Agency Official)

cc: (District Farm Loan Specialist)
(District Director)
Patty Wanger, OK State FSA Office