

For: State and County Offices

**Debarment and Suspension Procedures**

Approved by: Deputy Administrator, Farm Credit Programs



**1 Overview**

**A  
Background**

Revisions have been made to Departmental regulations regarding nonprocurement debarment and suspension (7 CFR Part 3017). As a result, debarment and suspension no longer affect an applicant's eligibility to participate in Farm Credit Programs, and parts of FmHA Instruction 1940-M no longer apply.

**B  
Purpose**

This notice advises Field Offices of:

- changes regarding debarment and the effect on loan applicants and other entities involved in transactions with the Agency
- instructions on the use of certifications.

<b>Disposal Date</b> May 1, 1997	<b>Distribution</b> State Offices; State Offices relay to County Offices and Ag Credit Teams
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Notice FC-88

2 Effect of Changes

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**Borrowers**

Field Offices are no longer required to check the "List of Parties Excluded From Federal Procurement and Nonprocurement Programs" (Debarment List) for the names of direct loan applicants or guaranteed loan recipients. Borrowers (both direct and guaranteed) are no longer required to certify that individuals or entities with whom they do business have not been debarred or suspended.

**Note:** Field Offices are no longer required to obtain AD-1047's and AD-1048's from applicants or borrowers.

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**Other Entities**

Individuals and entities, other than loan recipients, who have been debarred or suspended, are restricted from participating in transactions **with the Agency**.

**Examples:** guarantee lenders  
attorneys  
contractors.

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3 } **Action**

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**County Office  
Action**

Ag Credit Teams shall contact the State Office when doing business with new lenders or other entities. Lenders currently participating in the guarantee program are reviewed annually, so it is not necessary to contact the State Office each time a guaranteed loan is closed.

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## Notice FC-88

### 3 Action (Continued)

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#### B

#### State Office Action

State Offices shall do the following.

- Maintain 1 copy of the Debarment List. Obtain a subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, or call 202-512-1800.
  - Check the Debarment List annually for lenders currently participating in the guarantee program. The Debarment List is available electronically from the FSA BBS using World Group software. At the World Group Main Menu, double click on the "i" icon and then the DEBAR File button for the Debarment List.
  - When notified by the Ag Credit Team:
    - check the Debarment List to see if the individual/entity has been debarred
    - as appropriate, note debarment or suspension in the contracting or guaranteed operational file.
  - Check the Debarment List any time an individual/entity (other than loan recipient) is involved in a transaction with the Agency at the State level.
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#### Contact

Direct questions regarding:

- this notice to Bob Bonnet, Chief, Guaranteed Loan Branch at 202-720-3889 through the Area Office
  - procurement to Donna Dougherty, MSD, at 202-720-9356 through the Area Office.
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