

For: State and County Offices

Administrative Offset for Tobacco and Peanuts Commodity Programs

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

The new offset regulations allow offsets to be taken when a borrower becomes 90 days past due (60 days delinquent) and has received notice of their servicing rights under 7 CFR Part 1951-S.

Changes to 7 CFR Part 1951 were published in the FR on August 1, 1997. Changes to RD Instructions 1951-C were issued in FSA PN No. 11.

**B
Purpose**

This notice provides guidance on collecting delinquent Farm Loan Programs (FLP) and Farm Programs debts by offsetting CCC commodity loans for tobacco and peanuts.

**C
Contacts**

If there are questions about this notice:

- County Offices shall contact State Offices
- State Offices shall contact LSPMD.

Disposal Date

October 1, 1998

Distribution

State Offices; State Offices relay to County Offices

2 Offsetting CCC Commodity Loans for Tobacco and Peanuts

**A
Offsets on
Tobacco and
Peanuts**

This paragraph concerns administrative offsets for the tobacco and peanut commodity price support programs. Offset claims for these types of programs, in which marketing or poundage cards are issued, will be made if these commodities are placed under loan as collateral to CCC.

Administrative offset will be treated as a U.S. claim according to the U.S. Claims provisions in 1-TB SCOAP, 9-TB SCOAP, 10-TB SCOAP, and 1-PN. Guidance for offsetting delinquent FLP and Farm Programs have been provided in the following:

- Notice FC-139
- Notice FC-140
- Notice FI-2239
- Notice FC-145
- 58-FI
- RD Instruction 1951-C
- Notice DF-310
- Notice PF-66.

**B
Payment Priority**

County Offices shall follow:

- Notice FI-2239 for instructions about the priority of offset payments
- this table for instructions about payment priority for offsetting FLP and Farm Programs debts.

Step	Action
1	Determine the oldest debt by comparing the delinquency dates shown on the reports and list of delinquent leases.
2	Collect the debts in chronological order, beginning with the oldest delinquent debt.