



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

September 8, 1981

SUBJECT: Termination of the Economic Emergency (EE)
Loan Program, Pooling of EE Loan Funds and the
Handling of Appeals Involving Rejected EE Loan Requests

TO: All State Directors, Farmer Programs Chiefs,
District Directors, County Supervisors and
Director, National Finance Office

The purpose of this AN is to further advise of the termination of the EE loan program and the pooling of EE loan funds and to clarify the handling of appeal cases involving rejected EE loan requests.

In FmHA AN No. 576 (1940) dated August 18, 1981, we advised that the EE loan program is scheduled to expire by law September 30, 1981, and no EE loans can be approved or guaranteed after that date. However, all Forms FmHA 1940-1, "Request for Obligation of Funds", involving insured and guaranteed EE loans MUST BE RECEIVED by the Finance Office by close of business September 24, 1981, as prescribed in FmHA AN No. 578 (1940). Also, no EE loan obligation requests will be accepted through the field terminals after close of business September 22, 1981. Therefore, all field offices should give special attention to the processing of EE loan requests in order that all EE loan applications can be processed and Forms FmHA 1940-1 received in the Finance Office by September 24, 1981.

Effective immediately, all remaining EE loan funds will be pooled and States may approve and submit Forms FmHA 1940-1 to the Finance Office without regard to State allocation. At this time there appears to be adequate EE funds to fund all pending EE loan requests.

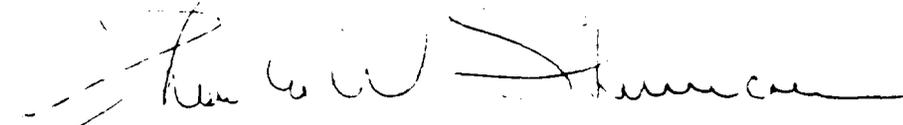
In accordance with Section 1900.53 of FmHA Instruction 1900-B, EE loan applicants (including those who would otherwise be eligible but for the expiration of the program) not approved PRIOR TO September 22, 1981, will not be given any administrative appeal rights. Instead, these applicants will be notified that the EE loan program is scheduled to expire on September 30, 1981, and that there is not enough time to process any appeal because of the expiration date.



Rejected EE loan requests involving administrative appeals should be handled in an expeditious manner to assure that the appeal process is concluded in time to approve loans, if necessary. For those appeals currently in process, the hearing officer or review officer will review the record to determine whether the previous decision was PROPER. If the decision is found to be IMPROPER (in other words, the applicant is found to be eligible for EE loans), then the applicant will be so notified. If the decision is found to be PROPER (in other words, the applicant is not found eligible), then the applicant will be notified PRIOR TO September 22, 1981, that the applicant has a right to pursue a further administrative appeal. After September 22, 1981, all applicants whose appeals are still being considered or who have been sent notices of their right to appeal but have not yet done so will be notified that the EE loan program is scheduled to expire on September 30, 1981, and that there is not enough time to further consider (or process) an appeal because of the expiration date.

Please remember that in all cases discussed in the previous two paragraphs and as outlined in Section 1945.117 (d) (2) of FmHA Instruction 1945-C, consideration should be given to the applicant's eligibility for other types of FmHA farmer program loans, and the applicant should be advised accordingly.

Please acknowledge NO-FP2.



CHARLES W. SHUMAN
Administrator

Sent via electronic mail Sept. 8, 1981 at 1:10 p.m.

Expiration Date: December 31, 1981

Filing Instruction: Preceding
FmHA Instruction 1941-A