



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1187 (1951)

April 26, 1985

SUBJECT: Graduation of FmHA Farmer Program Borrowers

TO: All State Directors, District Directors  
and County Supervisors, FmHA

Purpose/Intended Outcome

The purpose of this AN is to stress the importance of follow-up, monitoring, and supervision in the graduation process.

Implementation Responsibilities

We must continue our efforts to monitor the graduation process if the graduation policies for Farmer Program borrowers are to be effective. Although we are facing difficult times in agriculture, some borrowers can graduate; and we must be consistent in our processing of those borrowers who are potentially eligible for graduation.

The County Supervisor is responsible for performing the graduation review and the required follow-up actions on Farmer Program Borrowers. The County Supervisor is also responsible for meeting with lending officials from organizations such as Federal Land Banks, Production Credit Associations, Savings and Loan Associations, mortgage companies, banks, and insurance companies in their area and maintaining a record of lenders credit policies.

The District Director is responsible for monitoring the county office graduation process for effectiveness and conformance with FmHA Instruction 1951-F, and to ensure that County Supervisors meet with the lenders in their area. The District Director should review the county office operational file for the County Supervisor's documentation of meetings held with lenders, and should attend these meetings whenever possible. District Directors should also review their copy of Form FmHA 1951-24, "Results of Borrower Graduation Review", and the graduation review lists furnished by the Finance Office.

EXPIRATION DATE: May 31, 1986

FILING INSTRUCTIONS: Preceding  
FmHA Instruction 1951-F



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The State Director is responsible for monitoring the graduation process and assuring that the provisions of FmHA Instruction 1951-F are being complied with. State Directors should meet with the District Presidents of the Federal Intermediate Credit Bank and the Federal Land Bank; officials of investment banks, insurance companies and mortgage companies; and leaders of banks and organizations serving areas within the State to discuss FmHA's graduation policy and to seek their cooperation in giving serious consideration to referred FmHA borrowers.

The County Supervisor is required to send copies of Form FmHA 1951-24 to the District Director and the State Director upon the completion of their graduation reviews. State Directors should make sure this is done so they can analyze the graduation review results and plan their Program Reviews accordingly. District Directors should also use this report to determine the need for follow-up, training, and additional supervision where it is necessary. The National Office plans to include data concerning graduation in the Farm and Housing Activity Report beginning later this year.

The Finance Office provides Farmer Programs graduation review lists as of October 1 each year. Ordinarily, graduation reviews for Farmer Programs borrowers are almost completed by this time of year. However, due to the additional work load this year created by the demand for credit, servicing problems and farm credit initiatives, we recognize graduation reviews may have been delayed. Please follow-up on your graduation reviews within the next 60 days to ensure that they have been carried out in accordance with FmHA Instruction 1951-F.

*Dwight O. Calhoun*

DWIGHT O. CALHOUN

Acting Associate Administrator