

States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1457 (1924)

August 7, 1986

■ SUBJECT: Servicing Conference for Farmer Program Borrowers

TO: All State Directors, State Directors-at-Large,  
Farmer Program Chiefs, District Directors, and  
County Supervisors, FmHA

PURPOSE/INTENDED OUTCOME

The Office of the General Counsel has requested that FmHA provide guidance for working with Farmers Home Administration borrowers who ask for a servicing action. This AN provides a guide to be used by FmHA for notifying borrowers of the date of the conference on servicing action(s) and the information the borrower needs to bring to the conference.

COMPARISON WITH PREVIOUS AN

There has been no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES

When a borrower requests a servicing action and a meeting will be held, the County Supervisor will send the attached guide letter to the borrower along with the price list the office is using in the development of Farm and Home Plans prior to the conference.

The County Supervisor will have the following information available at the time of the conference.

1. A list of the borrower's loan(s) by type.
2. The interest rate on each loan.
3. The status of each note.
4. The principal and interest due.
5. The schedule of payments on loan(s).

EXPIRATION DATE: June 30, 1987

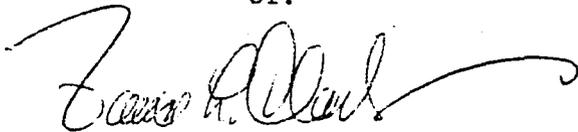
FILING INSTRUCTION: Preceding  
FmHA Instruction 1924-B



1457(1924)

In addition, prior to the conference the County Supervisor will review the borrower's loan docket to determine if:

1. Form FmHA 1960-12 is completed and up-to-date.
2. Form FmHA 1962-1 is completed and up-to-date.
3. The borrower has been cooperative and properly accounted for security.
4. A subsequent loan is to be considered, evaluate FmHA's security position and equity.
5. Borrower has any non-essential assets that need to be disposed of.



VANCE L. CLARK  
Administrator

Attachment

1457(1924)

Attachment 1

United States Department of Agriculture  
Farmers Home Administration  
(Insert Address)

(Date)

( Borrower's Name )  
( Borrower's Address )  
( )  
( )

Dear \_\_\_\_\_:

In order to evaluate your request for loan servicing, please bring the following information to our conference on \_\_\_\_\_:

- 1. A list of your actual farm and family living expenses for the past 3 years.
- 2. A list of your actual farm production, showing prices received and quantity sold, for the last 3 years.
- 3. A list of your actual off-farm income for the last 3 years.
- 4. A completed Farm and Home Plan for your next production year and a completed plan for 5 years from now.

I have enclosed two blank Farm and Home Plans and a copy of the prices which we believe can be realistically expected in the coming years.

You should be able to obtain the above information from various sources including income tax records, accounting records and actual cash flows. If you are unable to prepare this information you should contact this office at once.

1457(1924)

If you have requested a deferral of your loan payments, I will first consider whether the payments on your FmHA debt can be rearranged, using other servicing tools, to achieve a positive cash flow. Also, you will have to provide information at the conference to show that you need the deferral because of circumstances beyond your control (such as loss of off-farm income, illness, natural disaster or economic factors) and that you will be able to begin making payments after the deferral period is over. You must also provide information to show that your standard of living will be impaired if you make your presently scheduled payments and that you have attempted to adjust debts owed to your other creditors.

We will discuss all of these items at your conference.

I have scheduled your conference for \_\_\_\_\_ at \_\_\_\_\_ am/pm.  
If this is not convenient for you, please call the County Office to arrange another date or time.

Sincerely,

County Supervisor