



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1989 (1951)

October 4, 1989

SUBJECT: Net Recovery Buy Out and Appeal  
Rights Under Attachment 6 of  
Exhibit A of FmHA Instruction 1951-S

TO: State Directors, District Directors and County  
Supervisors

ATTENTION: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Farmers Home Administration (FmHA) Administrative Notice (AN) is to clarify a borrower's appeal and net recovery buyout rights when the borrower requests only a meeting on Attachment 6 of Exhibit A in FmHA Instruction 1951-S. The intended outcome of this AN is to ensure a proper understanding of borrowers' rights for appeal and net recovery buyout.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Questions have been raised as to whether or not a borrower, who checks only box number 1 "Request a meeting with the FmHA County Official," on Attachment 6, also has appeal and net recovery buyout rights.

A borrower who requests a meeting ONLY by checking BOX NUMBER 1 on ATTACHMENT 6 and who returns it within 15 days will be given an opportunity to appeal following the meeting when the meeting does not result in a satisfactory conclusion for the borrower. The borrower will be notified of the results of the meeting by sending the borrower the letter set forth in Exhibit B-2 of FmHA Instruction 1900-B.

A borrower is notified of the option to buyout at net recovery value in Attachment 5. On page three of Attachment 5, Section IV Part 3, the paragraph beginning with, "Time Limits," indicates the borrower may buyout the FmHA loan(s) at net

EXPIRATION DATE: September 30, 1989

FILING INSTRUCTIONS:  
Preceding FmHA  
Instructions 1951-S



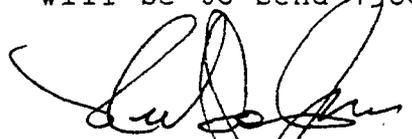
Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

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recovery value, within 45 days from the receipt of Attachment 5 of Exhibit A of FmHA Instruction 1951-S. However if the borrower appeals following the meeting, a new 45-day time period to buyout at the Net Recovery Value begins when all appeals are completed. This is stated in the last paragraph of Section IV, Part 3 in Attachment 5 and in paragraph number 4 on Attachment 6.

If the meeting does not result in a satisfactory conclusion for the borrower and the borrower has not already appealed or does not appeal within the 30 days, the borrower only has the 45 days from the date of the receipt of Attachment 5 to buyout at the Net Recovery Value.

This AN will affect SENT. When the activity screen CSR007 (results of the meeting per request on Attachments 5 and 6) is accessed, then outcome 1 (no change in situation) should be selected. If this choice is made, the next servicing activity will be to send 1900-B (Appeals) letter.



NEAL SOX JOHNSON  
Acting Administrator

Sent by Time Delay Option to States at 10am on 10/5; to Districts at 12pm on 10/5; and Counties at 2pm on 10/5 by ASD.