



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

October 6, 1982

SUBJECT: Servicing Insured and Guaranteed EE Loans

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

This AN replaces AN 600(465), issued October 22, 1981, which expired September 30, 1982.

Effective October 1, 1981, EE loan transfers and assumptions were no longer authorized at eligible rates and terms. Insured EE loans MAY BE transferred and assumed at ineligible rates and terms as outlined in FmHA Instructions 1962-A, Section 1962.34 (b), and 465.1, paragraph XVIII D. Guaranteed EE loans CANNOT be transferred and assumed at eligible or ineligible rates and terms after September 30, 1981.

FmHA Instructions 1962-A, 1951-A, and 465.1 governing insured loans and FmHA Instructions 1980-A and 1980-F governing guaranteed loans give appropriate FmHA personnel the authority to execute and/or carry out most of the actions that are required to adequately service EE loans. This AN sets forth those actions which are NOT authorized under the present regulations and require National Office review.

OPERATING PURPOSE:

FmHA Instruction 1962-A delegates the necessary authority to service insured EE loans which are secured by chattels. This Instruction does not specify particular loan types. Instead, it refers to general servicing, care, and liquidation of FmHA chattel security. Therefore, all authorities and procedures outlined within FmHA Instruction 1962-A can be applied to the servicing of insured EE loans.

As indicated above, insured EE loans secured by chattel property can only be transferred and assumed on ineligible rates and terms in accordance with Section 1962.34 (b). Section 1962.34 (b)(3)(i), which refers to interest rates charged on transfers to ineligible applicants, does not cover EE type loans. The current EE loan interest rate in effect at the time of approval of the transfer will be the interest rate charged to the transferee. For this reason, FmHA Instruction 440.1, Exhibit B, will continue to carry current EE interest rates. These current EE loan rates will also be utilized when processing consolidations, reschedulings, and reamortizations of existing EE loans under FmHA Instruction 1951-A.

EXPIRATION DATE: September 30, 1983

FILING INSTRUCTIONS:

Preceding FmHA Instruction 465.1



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Secretary of Agriculture, Washington, D.C. 20250

The authority to approve all other servicing actions prescribed in FmHA Instruction 465.1 is delegated appropriately to County Supervisors, District Directors, and State Directors who are required to execute and/or carry out the prescribed servicing actions. Those transactions which must be submitted to the National Office should contain a cover letter which explains the situation and describes the servicing action being requested, including the State Director's recommendations along with completed FmHA Form 465-1 or other required forms. All case files should be sent to the Administrator, Attention: Director, Emergency Division.



CHARLES W. SHUMAN
Administrator

Sent via electronic mail on October 6, 1982 at 4:32 p.m. by MISD(IMPS).