



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1838 (1951)

December 23, 1988

SUBJECT: Salary Offset

TO: State Directors

PURPOSE/INTENDED OUTCOME: The purpose of this AN is to ensure that NO FARMER PROGRAM borrowers, including borrowers in Collection Only status, will be considered for salary offset until all servicing options provided in the Agriculture Credit Act of 1987 have been offered and any resulting appeals settled.

COMPARISON WITH PREVIOUS AN: This AN replaces AN 1761 (1951) which was issued June 9, 1988.

IMPLEMENTATION RESPONSIBILITIES: Each State Director will ensure that salary offsets are not implemented for Farmer Program borrowers including Collection Only borrowers who were indebted for Farmer Program loans. Salary offsets currently in effect for these borrowers will not be terminated but no further action will be taken to implement new offsets. Any pending notices of intent (FmHA Form Letter 1951-4) to take salary offset against these borrowers shall be withdrawn, and the borrower should be immediately notified about the withdrawal.

After all servicing options have been offered, FmHA has made its decision on those options, and any appeals have been completed, the County Supervisor may proceed with salary offset in accordance with FmHA Instruction 1951-C against FP borrowers.

This AN applies only to Farmer Program borrowers or Single Family Housing borrowers who also have Farmer Program loans. Salary offset of active or Collection Only Single Family Housing borrowers will continue as provided for under FmHA Instruction 1951-C.

Please contact Jeanne Hudec on 202-382-8356 (FTS 382-8356) with any questions.

LA VERNE AUSMAN
Acting Administrator

Sent by electronic mail on 12/28 at 11 am. State Directors will notify County Supervisors and other employees as appropriate.

EXPIRATION DATE: December 31, 1989

Filing Instructions: Preceding
FmHA Instruction 1951-C



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