

February 5, 1990

FmHA AN 2049 (1951)

SUBJECT: Offsets (Administrative, Salary, IRS) and
The Soldiers' and Sailors' Civil Relief Act

TO: State Directors, District Directors, and County Supervisors

PURPOSE/INTENDED ACTION:

This Administrative Notice (AN) is issued to clarify that an FmHA borrower who is currently in the armed forces and whose loan is covered by The Soldiers' and Sailors' Civil Relief Act of 1940 is not subject to any offset for a delinquency of his loan payments.

COMPARISON WITH PREVIOUS AN:

No Previous ANs have been issued on this subject.

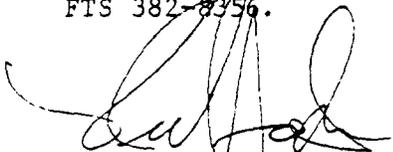
IMPLEMENTATION RESPONSIBILITIES:

No offsets may be sought against active duty members of the armed forces whose FmHA loans are covered by the Soldiers' and Sailors' Act. FmHA Instruction 1950-C addresses borrower eligibility for the protections under the Act. For those borrowers who are covered under the Act and who are eligible for offset or are being offset, discontinue all offset actions. Refer to FmHA Instruction 1951-C, §1951.111(m) and §1951.126, respectively, for cancellation of salary and IRS offsets.

If any payment has been collected by offset from a borrower who is protected under the Act, the offset amount must be refunded. Refer to FmHA Instruction 1951-C §1951.111(1)(2) or §1951.127, respectively, for refunding salary and IRS offsets.

FmHA Instruction 1951-C will be amended to incorporate this change.

If you have any questions, contact Jeanne Hudec at (202) 382-8356 or
FTS 382-8356.


NEAL SOX JOHNSON
Acting Administrator

EXPIRATION DATE: January 31, 1991

FILING INSTRUCTIONS: Preceding FmHA
Instruction 1951-C

Sent by Time Delay Option to States at 10 am on 2/6; to Districts at
12 pm on 2/6; and to Counties at 2 pm on 2/6 by ASD.

