



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2102 (1951)

June 14, 1990

SUBJECT: Updating DALR\$ Information For Closing of Write  
Downs and Net Recovery Buy Outs Processed  
Under FmHA Instruction 1951-S

TO: State Directors, District Directors and  
County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance to the field offices for determining the correct interest rates and effective closing dates on restructured Farmer Programs (FP) loans. This AN is to assist field offices in the correct calculations of debt write-down and net recovery buyout when the net recovery value constants and/or the net recovery input information has changed from the original DALR\$ calculations.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 1919(1951) dated May 9, 1989.

IMPLEMENTATION RESPONSIBILITIES:

1. On the date the borrower's restructured loans are closed, the interest rate to be listed on the Promissory Note will be the lowest of (1) the rate of interest actually shown on the original note, (2) the published rate on the date DALR\$ was run, or (3) the current interest rate in effect as set forth in FmHA Instruction 440.1 (current rate is the published rate on the date the Promissory Note is signed). The original interest rate for limited resource loans is the initial interest rate of the limited resource loan with no automatic increase.
2. At the time of DALR\$ approval, the State Director must add the following statement on the DALR\$ printout to satisfy any additional write-down that may occur from the time of

Expiration Date: April 30, 1991

FILING INSTRUCTIONS:  
Preceding FmHA  
Instructions 1951-S



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approval to closing. This statement is only necessary where a write-down will be authorized. Such cases will not have to be resubmitted to the State Director for approval of additional write-down before closing.

"Approval of this document includes any additional write-down that may accumulate within 90 days from the date of approval due to unforeseen delays in closing."

3. In cases where WRITE-DOWN is authorized, but cannot be closed as projected, the DALR\$ program will need to be run again. The updated DALR\$ version with the new Net Recovery Value Constants will be used when updating for closing. THE EFFECTIVE DATE WILL BE THE DATE THAT THE WRITE-DOWN TRANSACTION WILL BE CLOSED.

4. In cases where the borrower has requested mediation/voluntary meeting of creditors or an appeal, and the information on the Farm and Home Plan is no longer current, he/she should be contacted and encouraged to update the plan so that any decision made as a result of the meeting/appeal hearing will be based on current information. Another DALR\$ printout should be run to reflect the revised Farm and Home Plan.

If you have any questions concerning the information in this AN, contact Ann Eggleston, Farmer Programs Loan Servicing and Property Management Division at FTS 475-4009 or commercial (202) 475-4009.



LA VERNE AUSMAN  
Administrator

Sent by Time Delay Option to States at 1:00 pm on 6/18/90; to  
Districts at 3:00 pm on 6/18/90; and Counties at 9:00 am on  
6/19/90 by ASD.