



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2740 (1941)

February 5, 1993

SUBJECT: Completion of Real Estate Appraisals When Making
Farmer Programs Operating Loans and Emergency Loans

TO: State Directors, District Directors, and County
Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance to field offices on completing real estate appraisals when real estate is taken as security for operating (OL) loans and emergency (EM) loans. This issuance extends the timeframe for completing real estate appraisals from within 120 days to within 360 days of loan closing. The intended outcome is to avoid delays in processing OL and EM applications.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 2617 (1941) inasmuch as it extends the 240-day timeframe to 360 days.

IMPLEMENTATION RESPONSIBILITIES:

The requirements for borrowers to pledge all assets as collateral for insured Farmer Programs loans became effective on April 30, 1992. Concerns on meeting application processing timeframes as a result of revised appraisal requirements have been raised by some States.

To reduce delays in approving and closing OL and EM loans for chattel purposes, such loans may be approved and closed without completing a real estate appraisal provided:

1. The loan is adequately secured without the real estate lien.

EXPIRATION DATE: January 31, 1994

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1941-A



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

2. The best lien obtainable is taken on all real estate as required in FmHA Instruction 1941-A, Section 1941.19, and FmHA Instruction 1945-D, Section 1945.169, unless a waiver of the lien is justified and documented as specified in Sections 1941.19 and 1945.169.

In such cases, a real estate appraisal should be completed within 360 days of loan closing, unless a lien was not taken as a result of a waiver.

This AN may not be revised and reissued by State Directors without prior approval by the Assistant Administrator, Farmer Programs, unless modification is necessary to comply with State law.

State Office personnel with questions regarding this AN should contact the Farmer Programs Loan Making Division, at FTS (202) 720-1632.



SANDRA L. WEISMAN
Acting Administrator

Sent by Electronic Mail on 2/5/93 at 4:20pm to States, Districts and Counties. State Directors should advise personnel.