

For: State and County Offices

**FY 2002 Non-Socially Disadvantaged Applicant (SDA) Direct Operating Loan (OL) Funds**

Approved by: Acting Deputy Administrator, Farm Loan Programs



**1 Overview**

**A**

**Background**

Unobligated FY 2002 allocations of non-SDA direct OL funds will be pooled from each State Office.

**B**

**Purpose**

This notice:

- provides the date pooling action will be accomplished
- provides information on disposition of pooled loan funds
- emphasizes the importance of and priority in considering credit sources.

**2 Pooling of Direct OL Funds**

**A**

**Unobligated Allocations**

Effective COB May 8, 2002, unobligated allocations of non-SDA direct OL funds will be pooled.

**B**

**Reallocating Funds**

Pooled direct OL funds will be reallocated to States as non-SDA funds. Each State will receive the same percentage of the pooled funds as the State Office received of the initial FY 2002 non-SDA OL allocation.

A limited amount of funds will be retained in the National Reserve.

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<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2002	State Offices; State Offices relay to County Offices

**Notice FLP-249**

**2 Pooling of Direct OL Funds (Continued)**

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**C  
Requests for  
Reserve Funds**

Requests for reserve funds require the following:

- name of applicant
- amount of loan
- category of loan (nonbeginning or beginning farmer)
- date of initial application.

Requests for reserve funds are to be made by FAX at 202-690-1117.

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**3 Availability of Credit Sources**

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**A  
Credit Sources**

The demand for direct OL funds will exceed the funds available in FY 2002. Therefore, when processing applications, County Offices must consider sources of credit available to the applicant. Priority for credit sources is as follows.

<b>Priority</b>	<b>Credit Sources</b>
1	Commercial credit without FSA guarantee
2	Commercial credit with FSA guarantee
3	Subordinations to permit another lender to provide credit
4	As a last resort, a direct OL

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**B  
Contact**

Direct questions about this notice to Jerry Moseman, LMD, at 202-690-4006.

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