

***--Demand for Payment, Notice That Non-Centralized Administrative Offset, Including Internal Administrative Offset, Has Been Taken and Will Continue, and Intent to Collect by Centralized Offset and Other Applicable Debt Collection Methods**

Note: Exhibit 18 will be available in a fillable format at <http://intranet.fsa.usda.gov> under form name "2-FLP Exhibit 18".

<p>United States Department of Agriculture</p> <p>Farm and Foreign Agricultural Services</p> <p>Farm Service Agency</p>		<p align="center">Demand for Payment, Notice That Non-Centralized Administrative Offset, Including Internal Administrative Offset, Has Been Taken and Will Continue, and Intent to Collect by Centralized Offset and Other Applicable Debt Collection Methods</p>				
<p>[County Office Name] FSA Office [Any Town, ST XXXXX-XXXX]</p>	<p>Dear <u> [Borrower] </u> :</p>					
<p>This is to inform you that as a result of a final loss claim that the U.S. Department of Agriculture (USDA), Farm Service Agency (FSA) paid on your behalf, you now have a delinquent Federal debt.</p>						
<p>The final loss claim is based on the following guaranteed loans: (Complete as necessary from Borrower Loan Records).</p>						
<table border="0"> <tr> <td align="center"><u>Date of Loan</u></td> <td align="center"><u>Lender</u></td> <td align="center"><u>Loan ID Number</u></td> <td align="center"><u>Loan Amount</u></td> </tr> </table>			<u>Date of Loan</u>	<u>Lender</u>	<u>Loan ID Number</u>	<u>Loan Amount</u>
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<p>The amount of the final loss claim paid on your behalf which you owe is \$ <u> [Amount] </u> . Interest will accrue at the note rate of the guaranteed loan on the date the final loss claim was paid (<u> [Interest Rate] </u> %). The amount due will increase as interest accrues at the annual rate indicated.</p>						
<p>FSA has taken non-centralized administrative offset, including internal administrative offset (IAO). FSA will continue to use:</p>						
<ul style="list-style-type: none"> • Centralized offset from the U.S. Department of Treasury's Treasury Offset Program (TOP), • Non-centralized administrative offset between FSA and USDA payment authorizing agencies including, but not limited to, IAO of payments made by FSA, and • The other debt collection actions described in this notice to collect the debt you owe FSA. 						
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (Voice and TDD). To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</small></p>						
<p align="center">USDA is an Equal Opportunity Employer</p>						

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***--Demand for Payment, Notice That Non-Centralized Administrative Offset, Including Internal Administrative Offset, Has Been Taken and Will Continue, and Intent to Collect by Centralized Offset and Other Applicable Debt Collection Methods (Continued)**

In accordance with 31 C.F.R. 901.3(b)(4), FSA determined non-centralized administrative offset must be exercised immediately against any amounts payable to you. This is because FSA has determined that there was insufficient time before payment to allow for prior notice and opportunity for appeal. [Insert a narrative justification]
[Narrative continuation]

The payment collected was \$ [Amount] that you were to receive from
[Insert payment type]

The offset amount will include any payments to other entities equal to your *pro rata* share in the entities if FSA has a legally enforceable right under state law or otherwise to pursue entity payments. FSA also intends to continue offset from your participation in any Federal program or contract until you pay your Federal debt in full or the debt is otherwise resolved by actions explained in this notice.

Demand for Payment

To avoid debt collection actions you must either comply with this demand for payment of your FSA debt or successfully dispute that debt (see instructions under Debtors' Rights, pages 3-4). To repay your debt, send a check or money order, for the full amount of the debt to [Insert Service Center Name and address].

Please include your account number on your payment. The payment must be received no later than [Date] to avoid non-centralized administrative offset. To avoid centralized offset and other debt collection actions, payment must be received no later than [Date].

Debt Collection Actions

- If the delinquent debt is not paid in full, or
- Timely resolved by the actions explained in this notice,

then USDA agencies will be notified to collect the debt by non-centralized administrative offset. Treasury also will be notified to collect by centralized offset from the following Federal Government sources or other private payments due you, if applicable:

- TOP (To obtain income tax refunds, contract or vendor payments, certain Federal benefit payments, such as Social Security, other than Supplement Security Income, Railroad Retirement (other than tier 2), and Black Lung (part B) benefits and other Federal payments, including certain loans to you, that are not exempt from offset)
- Federal salary pay, including military pay (through Treasury's centralized computer matching program, not to exceed 15 percent of disposable pay)
- Federal retirement and disability pay, including military retirement pay (from the Office of Personnel Management, in most cases not to exceed 50 percent of the net annuity).

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Ineligibility for Federal Assistance

If you do not resolve your delinquent Federal debt within the time frames provided in this notice, you will be ineligible to receive future Federal financial assistance including loans (except disaster loans), loan guarantees and loan insurance.

Disclosure

Your delinquent debt also will be disclosed to a commercial credit reporting bureau. To avoid this action you must either repay your debt immediately, propose an acceptable repayment agreement or request an appeal within the time frames provided in this notice.

Non-Centralized Administrative Offset

FSA intends to take any future payment that you are to receive from your participation in any USDA program or contract (this includes any FSA program or contract). The amount to be offset also will include any payments to other entities equal to your *pro rata* share in the entities if FSA has a legally enforceable right under state law or otherwise to pursue entity payments. We intend to begin administrative offset **31** calendar days after receipt of this notice, unless you resolve the debt with the options set out in this notice.

Centralized Offset

Your delinquent debt will be referred to Treasury for TOP and for centralized salary offset computer matching as required by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. 3716; the Federal Claims Collection Standards, and Department of Treasury Regulations if the debt is not satisfied by non-centralized administrative offset of payments within USDA. Under DCIA, FSA debts over 180 days delinquent must be referred to Treasury for such collection.

Litigation

FSA intends to enforce collection by referring the debt to the Department of Justice to initiate litigation if you fail to pay or otherwise resolve the debt.

Debtors' Rights

You have the right to inspect and copy Agency records, to make other arrangements for repaying your debt and to request an appeal of this demand for payment to the National Appeals Division (NAD).

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Access to Agency Records of the Debt

You may inspect and copy your Agency file regarding this debt by notifying your local servicing office indicated below in writing within *20 calendar days* from the date of receipt of this notice. In response, FSA will notify you regarding a time and place for your review. At your request, one copy of the documents regarding this debt will be provided at our expense.

Opportunity to Propose a Repayment Agreement

At any time within *20 calendar days* of the date of receipt of this notice, you may present a written agreement to repay the debt as an alternative non-centralized administrative offset. Your proposed repayment agreement must document your ability to pay the delinquent Federal debt within a short period of time. A written repayment plan for paying the delinquent Federal debt may be accepted by the Agency in lieu of collection of the debt through non-centralized administrative offset of payments you are to receive.

Right to Appeal to NAD

You have the right to appeal this demand for payment to NAD in accordance with regulations published at 7 C.F.R. part 11. The issues under appeal will be limited to the existence of the debt, and the amount of the debt. If you wish to appeal this demand for payment, your written request for appeal must be postmarked no later than *30 calendar days* from the date you received this notice. Send the request for appeal to the office of the Area Supervisor, National Appeals Division, [Insert NAD Address] [NAD address continuation].

The request for appeal must include a copy of this notice and a statement explaining why you think the demand for payment is incorrect. The request should also include your name, address, and phone number. NAD will advise you of the time and place of any hearing and of any procedural requirements. A copy of your request for appeal and any attachments should be sent to this office. When you request a NAD appeal, there will be an immediate stay of the non-centralized administrative offset and referral for centralized offset until the NAD reviewing official issues a final written decision.

Please do not delay action to pay your delinquent Federal debt or exercise the rights offered in this notice. Your delinquent Federal debt will have a negative impact on your ability to obtain other credit. No additional advance notice will be forthcoming before referral of your debt to Treasury for TOP. If a Federal income tax return is filed, and your spouse is not responsible for this debt, please contact your local IRS office before filing your return to learn how to protect your spouse's share of the refund.

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Otherwise, you can obtain IRS information at <http://www.irs.gov>, including IRS Form 8379, if applicable. You should advise your local servicing office if you or another person liable for the debt files bankruptcy. If you have any questions about FSA's procedures, please call your local servicing office at [phone no.] or write FSA at the address indicated above.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

USDA regulations prohibit discrimination in USDA programs because of your race, color, religion, sex, age, national origin, marital status, familial status, sexual orientation, disability; or because all or part of your income is derived from any public assistance program; or because you have filed a program complaint, participated in any program complaint proceeding, or opposed a prohibited practice.

If you believe you have been discriminated against for any of the reasons stated above, you may file a complaint with the Director, Office of Civil Rights, United States Department of Agriculture, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410.

Sincerely,

Farm Service Agency
United States Department of Agriculture

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