

UNITED STATES DEPARTMENT OF AGRICULTURE

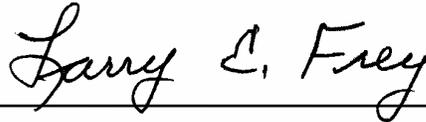
Farm Service Agency
Oregon State Office
7620 S.W. Mohawk Street
Tualatin, OR 97062-8121

**Oregon Notice
FLP-165**

For: County Offices

Compliance Reviews on FLP Individual and Group-Type Loans

Approved By: State Executive Director



LEF:LEV:th

1 Overview

A Background

Association or group-type loans in FSA’s loan portfolio are those serviced under the following FLP loan programs:

- AMP Loans:
Grazing Association Loan Program (Fund Codes 52, 74 and 94)
Irrigation and Drainage Loan Program (Fund Codes 51, 76 and 96)
- Indian Land Acquisition Loan Program (Fund Code 98).

In addition, several loans to individuals exist in FSA’s loan portfolio that are serviced under the following FLP loan programs:

- IMP Loans:
Farm Ownership Loan Program for Recreation Purposes (Fund Code 48)
Farm Ownership Loan for Nonfarm Enterprise Purposes (Fund Code 49).

Loans made to group-type borrowers under the Grazing Association and Irrigation and Drainage loan programs, and Farm Ownership (FO) loans initially made to individuals for Nonfarm Enterprise (NFE) or Recreation purposes, are subject to the provisions of the Civil Rights Act of 1964, and must be reviewed for compliance with the Civil Rights Act.

Note: Loans made under the Indian Tribal Land Acquisition Program are **not** subject to the provisions of the Civil Rights Act of 1964.

FILING: Preceding FSA Handbook 6-FLP

Disposal

Distribution

June 30, 2005

STO, DD, COR, COC, COF - Including Farm Loan Programs

06-30-04

Oregon Notice FLP-165

1 Overview (Continued)

B Purpose

The purpose of this Oregon Notice is to:

- Replace expired Oregon Notice FLP 127 which expired October 1, 2003
- provide a list of FSA Compliance Review Officers who received their designations under expired Notice FC-89 or as a result of receiving Compliance Review training
- remind DDs, FLMs, FLOs, and CEDs of the need to schedule, conduct, and supply copies of the required Compliance Reviews.

C Review, Monitoring and Reporting Requirements

FSA Handbook 6-FLP, Part 4, Par. 67 specifies which types of loans in FSA's loan portfolio are subject to Compliance Reviews for conformance with the provisions of the Civil Rights Act of 1964. It also provides guidance on completing the required Compliance Reviews for IMP and AMP loans.

Compliance Reviews are required every 3 years, or whenever there is a change in ownership, for as long as FSA's financial assistance is outstanding.

FSA Handbook 6-FLP, Part 4, Par. 67 requires the maintenance of a list of all reviews conducted during the reporting year, and requires that a copy of this list and the names of borrowers in noncompliance be submitted through the STO to the Deputy Administrator for Farm Loan Programs no later than November 30th of each year. The District Directors (DDs) are designated and directed to:

- conduct the required Compliance Reviews
- document the results of their reviews in each case file
- report the findings of the Compliance Reviews to the SED
- manually track the due dates for future reviews.

D Contact

Direct questions concerning required Compliance Reviews or this Oregon Notice to Lynn Voigt or Tami Hiltz in the FLP section in the STO.

Oregon Notice FLP-165

2 Compliance Reviews

A Listing of Compliance Review Officers

FSA Handbook 6-FLP, Part 4, Par. 67 permits Compliance Reviews for IMP loans to be completed by Farm Loan Managers. It also provides authority for SEDs to designate DD's or an Agency Review Official, who has training or experience in completing compliance reviews, to complete reviews for AMP loans.

The FSA employees shown in the following table have performed Compliance Reviews on AMP loans made to organizations, are adequately trained to do so, and their previous designations as Compliance Review Officers made in previous Oregon Notices is hereby continued until such time as this designation may be modified, revised or revoked in writing.

Name	Title	Location
Charles E. Newhouse	District Director	Umatilla County
Richard D. Block	District Director	Marion County
Harvey C. Bush	District Director	Klamath County
Merle E. Blackburn	Farm Loan Manager	Wasco County
Dennis J. Dines	Farm Loan Manager	Malheur County
Daniel W. Mast	Farm Loan Manager	Malheur County
Nancy L. Thompson	Farm Loan Manager	Washington County
Kevin P. Jordan	Farm Loan Manager	Umatilla County

B Compliance Review Reports

The results of Compliance Reviews for IMP loans to individuals should be recorded in the running record of the borrower's case file. In order to add consistency and assure that all appropriate factors are always considered in the completion of required Compliance Reviews for IMP loans to individuals, required Compliance Reviews for all borrowers in Oregon shall be completed and documented on Form RD 400-8 "Compliance Review," prepared in accordance with the Forms Manual Insert (FMI) and the guidance provided in FSA Handbook 6-FLP, Part 4.

For AMP loans made to organizations, the results of the compliance review shall be completed, recorded and documented on Form RD 400-8 "Compliance Review."

The original Form RD 400-8 will be sent to the SED with a transmittal memorandum following the format prescribed in FSA Handbook 6-FLP, Part 4, Part 67. If a borrower is found to be in non-compliance, any additional information which led to the finding will also be included with the transmittal memorandum. A copy of the original Form RD 400-8 will be filed in the borrower's FSA case file.

Oregon Notice FLP-165

2 Compliance Reviews (Continued)

C Public and Minority Contacts

Compliance Reviews will include documented public contacts with community leaders, including informed minority leaders in the area. Appropriate documentation of these contacts will be included in Part XI of RD Form 400-8 "Compliance Review," and submitted with each completed review.

3 Action

A District Director Action

Exhibit 1 of this Oregon Notice contains a list of individual and group-type loan recipients in Oregon.

DDs are responsible for scheduling the timely completion of Compliance Reviews for AMP loans made to organizations. If DDs require assistance in completing their required reviews, it may be requested from other designated Compliance Review Officers listed in Subparagraph 2A of this Oregon Notice.

With the assistance of FLMs and FLOs, DDs are also responsible for assuring that security checks and other servicing actions are completed as required under FSA Handbook 6-FLP.

B FLM Action

Exhibit 1 of this Oregon Notice contains a list of individual and group-type loan recipients in Oregon.

FLMs are responsible for scheduling the timely completing on Compliance Reviews for IMP loans to individuals. FLMs are responsible for assisting and supporting DDs in accomplishing their group-type account Compliance Review and security servicing responsibilities. This includes the calendaring and completion of security checks and other required servicing actions, and the calendaring and scheduling of Compliance Reviews required under FSA Handbook 6-FLP.

C Posters and Posting

The "And Justice for All" poster is required to be prominently displayed on all COF bulletin boards and at the project sites for individual and group-type borrowers who have received loans under the AMP and IMP Programs. All offices must display the Secretary's Civil Rights Policy statement, and the Secretary of Agriculture's Memorandum on Civil Rights and Equal Opportunity. DDs and FLMs should contact the Administrative Staff in the STO for advice on obtaining any needed items.

Oregon Notice FLP-165

3 Action (Continued)

D Reporting

Compliance Reviews are required every 3 years, or whenever there is a change in association ownership.

DDs need to send a transmittal memorandum similar to the sample format found in FSA Handbook 6-FLP (page 4-3), together with their original Compliance Reviews on Form RD 400-8, to the FLP staff in the STO as the Compliance Reviews are completed, but in any event, **no later than October 31st** of each year. Copies of inspection reports for annual security checks, annual reports, proposed budgets, etc. may be submitted as completed or obtained at a later date.

The STO is required to submit a summary report similar to the sample found in FSA Handbook 6-FLP (page 4-4) to the National Office **no later than November 30th** of each year.

AMP AND IMP FLP LOANS REQUIRING COMPLIANCE REVIEWS

Borrower Name	Case Number	County	Fund Code	No. Loans	Last Review	Next Review
Allen Canyon Sprinkler Association	43-32-931046217	Wallowa	96	Two	07/21/2003	07/21/2006
Arrowhead Pipeline Association	43-32-930938281	Wallowa	96	One	07/22/2003	07/22/2006
Bald Knob Sprinkler Association	43-32-930938866	Wallowa	96	Two	09/28/2001	09/28/2004
Bell A Grazing Cooperative	43-13-930558781	Harney	94	One	10/29/2003	10/29/2006
Big Creek Ditch Company	43-01-930728779	Baker	96	Two	07/25/2001	07/25/2004
Black Rock Grazing Cooperative	43-33-930578330	Wasco	94	One	09/12/2002	09/12/2005
Bridges, Kathy (NFE)	43-24-149382884	Marion	49	One	09/10/2002	09/10/2004
Chamberlain Ditch Company	43-32-931038994	Wallowa	96	One	10/03/2001	10/03/2004
Cow Lakes Grazing Association	43-23-930696333	Malheur	94	One	08/07/2001	08/07/2004
Dailey, Milburn P. Jr. (NFE)	43-01-541684480	Baker	49	One	12/04/2002	12/04/2005
Imnaha Sprinkler Association	43-32-937229719	Wallowa	96	One	07/22/2003	07/22/2006
Mahogany Creek Grazing Association	43-23-930579473	Malheur	94	Two	10/23/2003	10/23/2006
Otis Valley Irrigation Company	43-13-936032787	Harney	96	One	10/11/2001	10/11/2004
Pine Creek Grazing Association	43-33-930739623	Wasco	94	One	08/19/2002	08/19/2005
Reavis Pipeline Association	43-32-930708625	Wallowa	96	One	07/21/2003	07/21/2006
Ruby Peak Sprinkler Association	43-32-930684067	Wallowa	96	One	10/04/2001	10/04/2004
South Mountain Grazing Association	43-23-930561502	Malheur	94	One	10/23/2003	10/23/2006
Succor Creek District Improvement Company	43-23-930801336	Malheur	96	One	08/07/2001	08/07/2004
Trask Drainage District	43-29-541349872	Tillamook	96	One	07/29/2002	07/29/2005