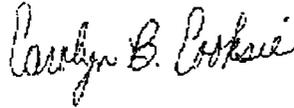


For: State and County Offices

Additional FY 1998 Farm Loan Funds

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

A supplemental appropriations and rescissions bill has been passed that provides additional FY 1998 farm loan funds for use by family-size farmers.

**B
Purpose**

This notice provides:

- clarification on loan programs affected
- information on disposition of loan funds.

2 FLP Funds

**A
Programs
Impacted**

Additional loan funds have been made available for the following loan programs:

- direct operating
- guaranteed operating with interest assistance
- direct farm ownership
- guaranteed farm ownership
- emergency.

Disposal Date

June 1, 1999

5-8-98

Distribution

State Offices; State Offices relay to County Offices

2 FLP Funds (Continued)

**A
Programs
Impacted
(Continued)**

Unsubsidized guaranteed operating loan funds will be reduced to partially offset the additional funds made available in these programs. It is anticipated that State Office allocations of unsubsidized guaranteed operating loan funds will not be affected. However, the transfer of funds on August 1 and September 1 from the unsubsidized guaranteed operating loan program to the direct farm ownership program for beginning farmers will be significantly impacted.

Direct farm ownership beginning farmer applicants anticipating funds on August 1 and September 1 from this transfer of funds should be counseled to seek alternative financing arrangements since available funding will be limited.

**B
Funds
Availability**

Emergency loans may be obligated as loans are approved in designated areas. The supplemental appropriation of funds provides funding authority of \$87 million for these loans.

Because of the limited funds made available in the supplemental appropriation, the additional funds in the following programs will be retained in the National Reserve.

Loan Program	Amount
Direct operating	\$70 million
Guaranteed operating with interest assistance	\$35 million
Direct farm ownership	\$18 million
Guaranteed farm ownership	\$25 million

Notice FC-186

3 State Office Action

**A
Requesting
Funds**

State Offices may request direct and guaranteed operating with interest assistance loan funds by providing a dollar total of approved unfunded loans by category for the following:

- non-beginning farmer
- non-beginning farmer SDA
- beginning farmer
- beginning farmer SDA.

Requests for direct and guaranteed farm ownership loan funds must include information contained in Notice FC-155.

**B
Contact**

Direct questions about this notice to LMD at 202-720-1632.
