



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1883 (1951)

March 16, 1989

SUBJECT: Determining the Effective Date For  
Restructuring Farmer Programs Loans Processed  
Under FmHA Instruction 1951-S

TO: State Directors and District Directors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to assist field offices in determining the interest rate and effective closing date on restructured Farmer Programs (FP) loans. The outcome is to ensure that FP loan servicing actions are consistent and closed properly.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Farmers Home Administration (FmHA) Farmer Programs restructured loans approved by the State Director will be closed as follows:

1. On the date the borrower's restructured loans are closed, the interest rate to be listed on the Promissory Note will be the lower of (1) the rate of interest on the original note (2) the published rate on the date DALR\$ was run, or (3) the current interest rate in effect as set forth in FmHA Instruction 440.1. (Current rate is the published rate on the date the Promissory Note is signed.) Limited resource loans that contained an "automatic increase" from the initial interest rate will have the automatic increase rate considered as the note rate.

EXPIRATION DATE: December 31, 1989

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1951-S



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

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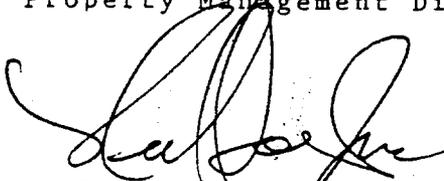
2. If the borrower's loans cannot be closed on the date projected in DALR\$, the DALR\$ program will be run again to reflect actual calculations as of the closing date due to interest accrual. At the time of DALR\$ approval, the State Director must add the following statement on the DALR\$ printout to satisfy any additional write-down that may occur from the time of approval to closing. This statement is only necessary where a write-down will be authorized. Such cases will not have to be resubmitted to the State Director for approval of additional write-down before closing.

"Approval of this document includes additional write-down that may accumulate within 90 days from the date of approval due to unforeseen delays in closing."

3. In cases where the rerunning of the DALR\$ program changes the borrower's status to be ineligible for write-down the borrower will be given the option to accept the write-down as offered. The borrower is given this option because of our agreement made on Exhibit F of FmHA Instruction 1951-S. Borrowers who do not wish to close on the original agreement will be sent Attachments 5 and 6 of Exhibit A of FmHA Instruction 1951-S.

4. Restructured loans with write-downs approved by the State Director which have not been closed as of the date of this AN will not have to be resubmitted to the State Director for approval provided 90 days has not expired from the date of approval. Restructured loans closed prior to the date of this AN will not have to be reconsidered.

For additional clarification concerning this AN, please contact Johnny Toles of Farmer Programs Loan Servicing and Property Management Division at FTS 447-6293.



NEAL SOX JOHNSON  
Acting Administrator

Sent via electronic mail on 3/17 at 3:45 Pm by ASD. A copy of this AN will be duplicated by the District Directors and distributed to the County Offices. State Directors will immediately distribute to Farmer Programs Chiefs and other appropriate personnel.