

For: State and County Offices and Ag Credit Teams

Regulations and Directives Relating to FSA Farm Credit Programs (FCP)

Approved by: Acting Deputy Administrator, Farm Credit Programs



1 Overview

A Background

FCP, which was formerly administered by FmHA, was transferred to FSA on October 1, 1995, under the provisions of the Department of Agriculture Reorganization Act of 1994. However, many FmHA directives and regulations are still applicable and used in the delivery and management of FCP. FmHA directives and regulations continue to be used by the Rural Development agencies.

Directives and regulations that apply to FCP include, but are not limited to, the following:

- FmHA Instructions
- Administrative Notices (AN's)
- Forms Manual Inserts (FMI's)
- notices
- FSA handbooks
- forms
- CFR.

B Purpose

This notice provides information regarding:

- the types of regulations and directives that apply to FCP
- the distribution process for regulations and directives
- plans to replace FmHA regulations and directives
- National Office approval of State Office directives.

Disposal Date	Distribution
December 1, 1996	State Offices; State Offices relay to County Offices and Ag Credit Teams

1 Overview (Continued)

C

Contacts

Direct questions about this notice as follows:

- County Offices and Ag Credit Teams shall contact the State Office
 - State Offices shall contact Bill Cobb, LSPMD, or Judy Bartus, MSD, through the Area Office.
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2 Reference Materials

A

Directives

Policies and standards relating to directives that apply to FCP are established in the following:

- 1-AS
 - 3-AS
 - FmHA Instruction 2006-A
 - FmHA Instruction 2006-B
 - FmHA Instruction 2006-D.
-

B

Regulations

Policies and standards relating to regulations that apply to FCP are established in the following:

- 21-AS
 - FmHA Instruction 2006-D.
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3 FmHA Instructions

A

Overview

FmHA Instructions that apply to:

- FCP only, have been transferred from Rural Development to FSA

Note: Exhibit 1 contains a list of FmHA Instructions that were transferred to FSA.

- FSA **and** 1 or more of the Rural Development agencies continue to be managed by Rural Development.
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3 FmHA Instructions (Continued)

B
Transmitting
Revised FmHA
Instructions

Revisions to FmHA Instructions that:

- were **transferred** to FSA will be issued by an FSA Special Procedure Notice (PN)
 - are **shared** with Rural Development will be issued by either of the following:
 - an RECD numbered PN
 - an RECD Special PN.
-

C
Distributing
FmHA
Instructions

Before Rural Development PN's and Special PN's are distributed to FSA offices, the following action will be completed for new or revised instructions and forms that are not used to administer or manage FCP:

- references will be marked through on PN or Special PN
- pages will be removed to reduce duplication costs.

Note: Obsolete instructions and forms will not be marked through.

Future FSA and Rural Development PN's and Special PN's will be uploaded to the Handbook Library on BBS. State Offices shall duplicate and distribute these PN's to County Offices and Ag Credit Teams.

Note: It is imperative that State Offices issue Rural Development PN's to Ag Credit Teams.

- Revisions to shared FmHA Instructions are not included on FSA Special PN's.
- Rural Development does not distribute PN's and Special PN's to FSA.

Exhibit 2 contains a list of all PN's and Special PN's that were distributed since October 1, 1995. PN's on this list are not available on BBS. These PN's were sent to State Offices by pouch mail.

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3 FmHA Instructions (Continued)

D

**Replacing
FmHA
Instructions**

FmHA Instructions that apply to FCP will be replaced by FSA handbooks. Because of the extensive volume of material involved, a specific timetable is not available.

When FSA handbooks replace FmHA Instructions, offices will be notified on the weekly National Procedure Checklist.

- The FSA handbook will be listed in the "Permanent Directives" section of the Checklist.
 - The FmHA Instruction that is obsolete or no longer applies to FCP will be listed in the "Obsolete Directives" section of the Checklist.
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4 Administrative Notices

A

Applicable AN's

Effective October 1, 1995, AN's issued by Rural Development do not apply to FCP. FCP issues are addressed through the use of notices according to paragraph 5.

AN's that were issued **before** October 1, 1995, and which apply to FCP, should be followed unless notified otherwise.

5 Notices

A

**Definition of
Notice**

A notice is a temporary directive used to:

- remind users of the applicability of existing permanent directives
 - provide short-term information or instruction of general applicability
 - make 1-time requests.
-

B

**Ag Credit Team
Action**

Ag Credit Teams should be aware that, while the majority of notices relating to FCP issues are in the "FC" series, other series may be used. Therefore, it is essential that Ag Credit Teams review all notices issued by FSA.

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Notice FC-72

5 Notices (Continued)

C

Distributing Notices

Notices are uploaded to the Notices Library on BBS. See Notice AS-1931 for instructions for accessing notice files on BBS.

State Offices shall duplicate and distribute notices to County Offices and Ag Credit Teams.

6 Forms Manual Inserts

A

Overview

FMI's provide the following information:

- a sample of the form
- detailed instructions regarding the purposes of the form
- references to FmHA Instructions and other directives
- information to be inserted on the form
- the number of copies to be prepared and signed
- the distribution of copies.

Offices shall continue to use FMI's for forms that are used with FCP directives, until further notice.

B

New, Revised, and Obsolete FMI's

Offices will be notified of new, revised, or obsolete FMI's through the use of PN's. PN's will provide guidance regarding:

- the continued use or disposal of existing form stock
 - whether or not there will be an automatic distribution of the form.
-

C

Distributing FMI's

PN's addressing new, revised, or obsolete FMI's will be distributed according to subparagraph 3 C.

7 Forms

**A
Overview**

FmHA forms used only by FCP have been transferred from Rural Development to FSA. Forms that are used by FSA and 1 or more of the Rural Development agencies continue to be managed by Rural Development.

**B
New and Revised
Forms**

The prefix used in FSA form numbers will be determined as follows:

- new forms created by FCP will have the prefix FSA
- existing forms transferred to FSA will be changed to FSA when handbooks are developed to replace FmHA Instructions
- the prefix on FmHA forms that are shared with Rural Development will be changed to RD.

New, revised, and obsolete forms will be addressed through the use of PN's and the National Procedure Checklist. Use the Checklist to update the forms catalog according to 1-AS, subparagraph 19 D.

**C
Distributing
Forms**

Distribution of forms will be addressed on PN's and the weekly National Procedure Checklist.

8 Regulations

A

Overview

The Federal Register Act and the Administrative Procedure Act provide the framework for the promulgation of Government regulations. This publication system provides a method of informing the public of regulations affecting them.

FOIA requires agencies to publish material such as:

- descriptions of central and field organizations
 - descriptions of the course and method by which the agency's functions are channeled and determined
 - rules of procedures and descriptions of forms available
 - substantive rules of general applicability
 - statements of general policy or interpretations of general applicability
 - each amendment, revision, or repeal of these published materials.
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B

Publishing Regulations

Until further notice, regulations relating to FmHA Instructions that were transferred to FSA and those shared with Rural Development will continue to be published in 7 CFR Chapter XVIII.

Regulations supporting FSA handbooks are published in 7 CFR Chapter VII.

C

Changing 7 CFR Chapters

Regulations relating to FCP will be moved **from** 7 CFR Chapter XVIII (assigned to FmHA) **to** 7 CFR Chapter VII (assigned to FSA). This change should occur in conjunction with the move of FmHA Instructions to FSA handbooks.

Reference to the applicable CFR section will be noted in the handbook.

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8 Regulations (Continued)

**D
Regulatory
Reform**

The President's regulatory reform initiative of March 4, 1995, mandated that all Federal agencies conduct a page-by-page review of their regulations and eliminate or revise those that are outdated or otherwise in need of reform. Rural Development's findings of this review revealed that FmHA regulations contain material which is obsolete or administrative in nature.

Actions to delete obsolete or administrative material from CFR has been initiated and those completed have been, or will be, published as a final rule in FR. Administrative provisions will not be deleted from the FmHA Instruction. Therefore, new or revised regulations published in CFR will no longer be identical to FmHA Instructions.

Note: According to subparagraph C, FSA handbooks developed to replace FmHA Instructions will contain references to the applicable CFR section.

9 Weekly National Procedure Checklist

**A
Overview**

According to 1-AS, paragraph 19, the National Procedure Checklist is issued each Wednesday by MSD Directives. The Checklist:

- lists temporary (notices) and permanent (FSA handbooks, FmHA Instructions, FMI's, and forms) directives issued during the previous week
- lists directives made obsolete or superseded during the previous week
- in the third week of the month, provides a reports calendar for the upcoming month

Note: Reports referenced in FmHA Instructions are not included in the reports calendar at this time.

- lists any forms activity.

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9 Weekly National Procedure Checklist (Continued)

B

**Distributing
Checklists**

The weekly National Procedure Checklist is uploaded to the Notices Library on BBS.

State Offices shall duplicate and distribute checklists to County Offices and Ag Credit Teams.

C

Action

Offices shall review the weekly National Procedure Checklist to ensure that all applicable directives were received.

10 State Office Issuances

A

**National Office
Approval**

State Office directives that relate to FCP are addressed in:

- FmHA Instruction 2006-B
- 1-AS.

FmHA Instruction 2006-B, Section 2066.55 requires the submission of all State issuances to the National Office for approval or review. Prior approval is required when:

- mandated by the National Office directive authorizing the State Office directive
- the directive contains reporting or recordkeeping requirements imposed on 10 or more members of the public and is required by State law
- the National Office specifically requires that a particular State Office directive or class of directives be submitted for approval for a limited time.

Post approval will be obtained in all other situations. Submissions for approval or review involving legal issues must include a copy of the approval or recommendations of the regional attorney.

FmHA Instructions Transferred to FSA

This table contains a list of FmHA Instructions that have been transferred to FSA.

FmHA Instructions Transferred to FSA as of August 27, 1996	
Instruction	Title
442.11	Loans to Indian Tribes and Tribal Corporations
1901-C	Defense Emergency Loans
1903-A	Voluntary Debt Adjustment
1922-D	Appraisal Reviews
1922-E	Appraisal of Farms and Leasehold Interests
1924-B	Management Advice to Individual Borrowers and Applicants
1941-A	Operating Loan Policies, Procedures, and Authorizations
1941-B	Closing Loans Secured by Chattels
1943-A	Direct Farm Ownership Loan Policies, Procedures, and Authorizations
1943-B	Direct Soil and Water Loan Policies, Procedures, and Authorizations
1943-C	Small Farmer Outreach, Training, and Technical Assistance Program
1945-A	Disaster Assistance - General
1945-C	Economic Emergency Loans (Direct)
1945-D	Emergency Loan Policies, Procedures, and Authorizations
1951-L	Servicing Cases where Unauthorized Assistance was Received - Farmer Programs
1951-S	Farmer Programs Account Servicing Policies
1951-T	Disaster Set-Aside Program
1965-A	Servicing of Real Estate Security for Farmer Programs and Certain Note-Only Cases
1980-B	Farmer Programs Loans (Guaranteed)
1980-C	Emergency Livestock Loans
1980-F	Economic Emergency Loans (Guaranteed)
1980-J	Agriculture Resource Conservation Demonstration Program

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FmHA Instructions Transferred to FSA (Continued)

FmHA Instructions Transferred to FSA as of August 27, 1996	
Instruction	Title
2000-N	MOU Between the FCIC and FmHA
2000-R	MOU Between the Farm Credit Administration and FmHA
2000-BB	Joint Cooperative Statement Between EPA and FmHA
2000-JJ	MOU Between ASCS and FmHA
2000-LL	MOU Between FmHA and FWS Establishing Procedures for Interagency Coordination
2000-MM	MOU Between FmHA and the Farm Credit Administration for Interagency Coordination on a Demonstration Project
2000-NN	MOU Between BIA and FmHA
2000-PP	MOU Between SCS and FmHA
2000-SS	MOU Between ASCS and FmHA Concerning CRP Property
2000-WW	MOU Between SCS, ASCS, U.S. FWS, and FmHA
2000-XX	MOU Between ASCS and FmHA Concerning the WRP
2000-YY	MOU Between ASCS and FmHA Concerning the CRP
2000-ZZ	MOU Between FmHA and ASCS
2000-AAA	MOU Between CCC and FmHA Concerning Lien Waiver Requirements for Price Support Benefits
2000-CCC	MOU Between FmHA and ASCS
2006-W	Classification of Farmer Programs Borrower Accounts
2045-E	Agricultural Management Specialist Appointment Process
2045-G	FmHA Student Trainee Program
2051-D	Reporting Services of County Committee Members
2054-Q	Filling Emergency Loan Positions
2054-W	Employment, Pay, and Functions of County and/or Area Committees
2057-E	Training County and/or Area Committee Members

PN's Distributed Since October 1, 1995

Following is a list of PN's that have been distributed since October 1, 1995:

- MSD memo, dated May 16, 1996, which included the following:
 - FmHA PN 252, dated October 11, 1995
 - FmHA PN 253, dated October 18, 1995
 - FmHA PN 254, dated December 20, 1995
 - FmHA PN 255, dated January 17, 1996
 - FmHA PN 256, dated January 24, 1996
 - FmHA PN 257, dated February 14, 1996
 - FmHA PN 258, dated February 28, 1996
 - FmHA Special PN, dated October 13, 1995
 - FmHA Special PN, dated October 27, 1995
 - FmHA Special PN, dated February 2, 1996
 - FmHA Special PN, dated February 22, 1996
 - FSA Special PN, dated February 22, 1996
 - RECD Special PN, dated March 28, 1996
 - RECD Special PN, dated April 30, 1996
 - RECD PN 259, dated March 20, 1996
 - RECD PN 260, dated April 24, 1996
 - RECD PN 261, dated May 8, 1996
 - RECD PPN 704, dated May 3, 1996

- MSD cover memo, dated May 21, 1996, which included the following:
 - FSA Special PN, dated April 19, 1996
 - FSA Special PN, dated February 22, 1996

Note: This was also included in the MSD memo dated May 16, 1996.

- MSD cover Memo, dated April 19, 1996, which included RECD Special PN dated April 22, 1996
- FSA Special PN, dated June 1, 1996
- RECD PN 262, dated June 5, 1996
- RECD Special PN, dated June 21, 1996 and FSA Special PN, dated July 9, 1996

Note: These were shrink wrapped together.

- RECD PN 263, dated June 26, 1996
- RECD PN 264, dated July 31, 1996.