



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1115 (1900)

December 7, 1984

SUBJECT: Processing of Existing Farmer Programs Appeals

TO: All State Directors, Farmer Programs Chiefs,
County Supervisors, and District Directors

This AN explains how appeals now in process will be handled as a result of the "President's Farm Credit Initiatives."

(I) PRETERMINATION NOTICE APPEALS

Existing Pretermination Notice appeals will be terminated as follows:

(a) For all states except KS, MS, FL, AL, MI, and GA

(1) The Hearing Officer or Review Officer will send Exhibit A of this AN.

(2) The Hearing Officer or Review Officer will return the case file to the County Supervisor.

(3) The County Supervisor will comply with Section 1951.41 of FmHA Instruction 1951-A.

(4) Pretermination Notice appeals will not be resumed.

(b) For KS, MS, FL, AL, MI and GA

(1) Hearing Officers and Review Officers in these states will send Exhibit A of this AN to borrowers with pending acceleration appeals, repossession appeals, appeals concerning the termination of releases of normal income and other appeals of liquidation type actions.

(2) The Hearing Officer or Review Officer will return the case file to the County Supervisor.

(3) The County Supervisor will comply with Section 1951.41 of FmHA Instruction 1951-A.

EXPIRATION DATE: September 30, 1985

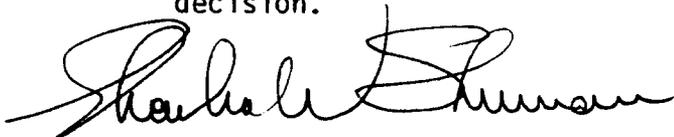
FILING INSTRUCTIONS:
Preceding Instruction 1900-B



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

(II) PENDING LOAN DENIAL, SUBORDINATION DENIAL AND OTHER
SERVICING ACTION APPEALS (ALL STATES)

- (a) The County Supervisor will send Exhibit B of this AN to Farmer Program (FP) borrowers who have requested a set-aside and who have pending appeals of loan denials, subordination denials or denials of other servicing action requests.
- (b) If the borrower chooses to have the appeal hearing or review postponed until after a decision is made on the request for set-aside, the County Supervisor will notify the Hearing Officer or Review Officer of this, and the case file will be returned to the County Supervisor.
- (1) If the borrower receives set-aside, the County Supervisor and the County Committee will review the initial adverse action (loan denial, etc.). If the County Supervisor and the County Committee agree with their initial decision, the borrower's file will be returned to the Hearing Officer or Review Officer so that the hearing or review can take place. However, if the County Supervisor and the County Committee no longer agree with the initial decision (for example, when a borrower now has repayment ability due to the terms of the set-aside), the County Supervisor will notify the borrower and the Hearing Officer or Review Officer that the loan will be made, the subordination granted, etc.
- (2) If the borrower does not receive a set-aside and appeals that adverse decision, the two appeals will be merged. If the borrower's case file was returned to the County Supervisor by a Hearing Officer, one hearing will be held on both adverse decisions. If the case file was returned by a Review Officer, the borrower will be given a hearing on the set-aside denial; and if a review is requested, one review will be held on both adverse decisions.
- (c) If the borrower wants to postpone a decision on the set-aside request and go ahead with the hearing or review concerning the adverse decision on the request for a loan, subordination, etc., the entire appeals process will be completed, and then the borrower's request for a set-aside will be evaluated; and, if the decision is adverse, the borrower will be given the opportunity to appeal that decision.



CHARLES W. SHUMAN
Administrator

Attachments

1115(1900)

GUIDE LETTER

Exhibit A

United States Department
of Agriculture
Farmers Home Administration
(Insert address and date)

(Insert name and address of borrower
or representative as appropriate)

Dear _____:

The Farmers Home Administration (FmHA) is revising its loan servicing regulations. Until those revisions are completed, FmHA will not be repossessing property, accelerating accounts, terminating releases of normal income, or taking other liquidation type actions. Therefore, FmHA is cancelling the adverse action against (you) (your client) that was pending, and the (hearing) (review) which was supposed to take place, has been cancelled.

We expect to issue new loan servicing regulations in the near future. When the new regulations are implemented, (you) (your client) will be informed of the future actions to be taken on (your) (your client's) FmHA accounts.

Sincerely,

(Insert appropriate Hearing Officer or Review Officer)

cc: (Insert name and address of borrower if this letter is addressed to
the borrower's representative)

NOTE TO COUNTY SUPERVISOR

The county office case file is returned.

1115(1900)

GUIDE LETTER

Exhibit B

United States Department
of Agriculture
Farmers Home Administration
(Insert address and date)

(Insert name and address of borrower)

Dear _____:

We have received your request to be considered for a special debt set-aside. If you want us to consider your request at an early date, we will have to postpone the (hearing) (review) which you have requested concerning the denial of your request for a (loan) (subordination) (_____). If we do not hear from you within 15 days from the date of this Letter, we will postpone the (hearing) (review) and consider your debt set-aside request. If you would like for us to go ahead with the scheduled (hearing) (review) and delay consideration of your request for the debt set-aside, please telephone this office as soon as possible at _____.

Sincerely,

COUNTY SUPERVISOR