



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN NO. 1158 (1940)

March 14, 1985

SUBJECT: Processing Applications for Initial Insured
Operating Loan Funds

TO: All State Directors, District Directors and
County Supervisors

Purpose:

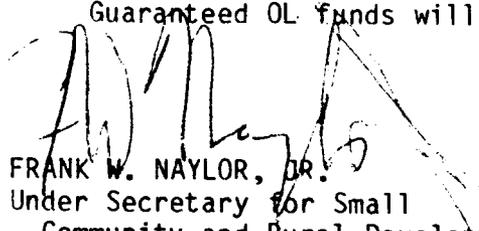
This AN is being issued to emphasize the requirements for determining whether or not other credit is available.

Implementation:

In applying the "test for credit elsewhere" eligibility requirement, county supervisors are required to document in each applicant's case file that adequate credit is not available from other sources. This includes a statement by the county supervisor that other credit is not available, taking into consideration available sources and methods of obtaining other credit. Because of the depletion of, and demand for, insured funds and the existing workload in the county office, consideration also should be given to the making of guaranteed loans whenever possible instead of insured loans.

State Directors requesting supplemental insured OL funds from the National reserve for initial loans must provide assurance that all sources have been considered and the case files contain evidence that the needed credit is not available through other sources. District Directors will monitor county office activity to assure compliance. When supplemental funds are requested, the State Directors will include a statement with each request that it has been determined that credit is not available for the requested loans.

Guaranteed OL funds will be available for this program.


FRANK W. NAYLOR, JR.
Under Secretary for Small
Community and Rural Development

EXPIRATION DATE: September 30, 1985

FILING INSTRUCTIONS:
Preceding FmHA Instruction 1940-G

Sent by electronic mail on 3/14/85 @ 1:04 pm. to State Directors. State Directors will notify District and County Offices.



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Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250