



FmHA AN No. 2738(1956)

January 29, 1993

SUBJECT: Authority of County Committee to Approve or Reject
a Debt Settlement

TO: State Directors, District Directors,
and County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify the role and the authority of the County Committee in the approval or rejection of a debt settlement application. The intended outcome is to clarify the actions of the County Supervisor in notifying the borrower when the County Committee does not recommend that the debt settlement application be accepted.

COMPARISON WITH PREVIOUS AN:

This AN replaces FmHA AN No. 1800 (1956) which has expired.

IMPLEMENTATION RESPONSIBILITIES:

Except for disapprovals of Farmer Programs (FP) debt settlement applications by a County Committee, the authority to approve or reject an FP debt settlement rests with the State Director or Administrator, as indicated in Section 1956.58(a)(1) of FmHA Instruction 1956-B. However, no debt settlement can be approved by the State Director if it is more favorable than the settlement recommended by a County Committee. If a County Committee recommends that a debt settlement not be approved or be approved on terms less favorable than requested by the borrower, the County Committee is the adverse decision maker. In such cases, consistent with Section 1956.58(e) and on behalf of the County Committee, the County Supervisor will notify the borrower of the failure to approve the debt settlement application and will advise the borrower of appeal rights using Exhibit B-1 of FmHA Instruction 1900-B.

In cases where the County Committee recommends rejection of the borrower's request for debt settlement and there are additional reasons for rejection of the request, the State Director will be the decision maker and will notify the borrower of the adverse decision using Exhibit B-1.

EXPIRATION DATE: December 31, 1993

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1956-B



If you have any questions, please contact Charles W. Thompson,
Farmer Programs Loan Servicing and Property Management Division,
at FTS 202-690-4011.

A handwritten signature in cursive script, reading "Sandra L. Weisman". The signature is written in dark ink and is positioned above the typed name.

SANDRA L. WEISMAN
Administrator

Attachment: OGC Opinion