



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

March 12, 1982

- SUBJECT: Determining Eligibility and Qualifying
Disaster Losses When an EM Loan Applicant's Farming
Operation is Located in Both a Designated County(ies)
and a Nondesignated County(ies)

TO: All FmHA State Directors, Farmer Program Chiefs,
District Directors, County Supervisors and
Director, Finance Office

Since FmHA regulations do not specifically address the subject type situation, this AN will serve to clarify Agency policy.

When an applicant's farming operation(s) is conducted in a designated county(ies) and in a nondesignated county(ies), the basic enterprise being used to establish eligibility will be considered for the total farming operation. The disaster year's actual yields will be considered when determining eligibility. Eligibility will be determined as set forth in §1945.63 of 1945-B and §1945.163 of 1945-D. Once eligibility has been established, the loss loan will be limited to the production loss sustained in only that part of the farming operation conducted in the designated county(ies).

Compensatory disaster payments; i.e., crop insurance indemnity payments, ASCS disaster program payments, or any other compensation received or to be received, which are based on disaster related losses to only the basic enterprise used for determining eligibility, will be used in the calculations for establishing eligibility. However, all compensatory disaster payments received or to be received for that part of the farming operation located in the designated county(ies) will be subtracted from the calculated actual losses sustained in the designated county(ies), when determining the amount of actual loss loan entitlement.

New Examples No. 2(a) and 2(b) for insertion in your EM Training Package, which demonstrates what has been explained in the body of this memorandum, will be forwarded to you later.

CHARLES W. SHUMAN
Administrator

EXPIRATION DATE: September 30, 1982 FILING INSTRUCTIONS: Preceding
FmHA Instruction 1945-A

Sent by electronic mail on March 12, 1982 at 11 a.m. by MISD(IMPS).

You need not distribute this AN. It will be distributed through normal channels to all County and District Offices.

