



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1366 (1901)

March 12, 1986

SUBJECT: Farmer Program Disapproval Authorities  
Loan Making and Servicing Actions

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

Purpose/Intended Outcome:

This AN is issued to clarify the authorities of loan approval officials for disapproving farmer program loans. The intended outcome is to assure compliance with applicable regulations.

Comparison with Previous AN:

None previously issued on this subject.

Implementation Responsibilities:

FmHA Instructions do not permit loan approval officials to reject farmer program loans which exceed their approval authority. FmHA Instructions 1941-A, 1943-A, 1943-B, and 1945-D specifically require the loan approval official to determine and document the reasons for disapproval. The loan approval official is the FmHA employee who could otherwise approve the loan in question. The regulations do provide for the County Supervisor to notify the applicant of the rejection, but only after the loan approval official has made the determination and listed the reasons for the rejection.

The authorized approval official is the decision maker for the purposes of FmHA Instruction 1900-B, FmHA Appeal Procedure. Rejected applicants will be advised of the appropriate hearing officer in accordance with Exhibit D to FmHA Instruction 1900-B.

VANCE L. CLARK  
Administrator

EXPIRATION DATE: February 28, 1987

Filing Instructions: Preceding  
FmHA Instruction 1901-A

"Sent by Electronic Mail on March 14, 1986, at 4:01 pm.  
by DASD (IMPS)," and the State Director should immediately advise the  
Farmer Program Chief, District Directors and County Supervisors.