



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1988 (1941)

SUBJECT: Youth Loans

October 2, 1989

TO: All State Directors, District Directors
and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME

This Administrative Notice (AN) is intended to address the loan purposes for which youth loans can be made and clarify that an individual must be a member of a sponsoring organization to be eligible for the loan.

COMPARISON WITH PREVIOUS AN

This AN updates and replaces AN 1713 (1941) which was issued on January 6, 1987, and expired December 31, 1988.

IMPLEMENTATION RESPONSIBILITY

FmHA Instruction 1941-A, Section 1941.13 does not specifically state that an individual youth be a legitimate member of the sponsoring organization, e.g., 4-H Club, Future Farmers of America or similar organizations. However, the definition of rural youth projects found in Section 1941.4 brings more clarification to this subject. In this definition, the rural youth must be participating in a sponsoring organization.

Therefore, prior to eligibility determination by the County Committee, County Supervisors should investigate applicants to make positive that he/she is, in fact, a bona fide member of one of the types of organizations noted in this AN.

FmHA Instruction 1941-A, Section 1941.13 does not specify the activities for which youth loan funds can be used. However, FmHA Instruction 1941-A, Section 1941.16, describes the general purposes for which youth loans may be made. Furthermore, FmHA Instruction 1941-A, Section 1941.13 requires a youth loan be

EXPIRATION DATE: September 30, 1990

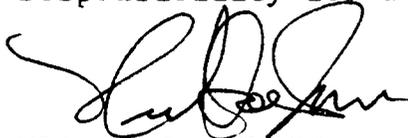
FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1941-A.



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

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recommended by a project advisor such as a 4-H Club advisor, vocational teacher, home economics teacher, county extension agent, or other organizational sponsor or advisor. Therefore, because of a range of activities associated with such advisors, the proposed project does not have to be confined to raising livestock or crop production. County Supervisors are reminded that the youth loan program is not intended to establish farming experience for rural youths but rather provides them with practical business educational experience as well as responsibility for having loan payments.



NEAL SOX JOHNSON
Acting Administrator