

For: State and County Offices

Processing 1951-S Cases With an Open Civil Rights Complaint

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

FmHA Instruction 1951-S requires that all delinquent farm loan borrowers receive their servicing rights.

B

Purpose

This notice provides:

- clarification to ensure that delinquent borrowers who have civil rights complaints pending with the Department’s Office of Civil Rights (CR) are provided every applicable opportunity to bring their accounts current through the 1951-S loan servicing process
- language for a letter to accompany FmHA Instruction 1951-S, Exhibit A, Attachments 3, 5, 5-A, 9, and 9-A for borrowers being serviced under FmHA Instruction 1951-S who have an open CR civil rights complaint.

Note: The letter:

- should clarify that the attachments are not acceleration or foreclosure notices
- shall be included in the same envelope as the attachments.

<p>Disposal Date</p> <p>January 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FLP-19

2 Action

**A
Delinquent
Borrowers**

Borrowers who have an open CR complaint are to be sent all applicable notices, attachments, and exhibits referenced in FmHA Instruction 1951-S. In these cases, if loan servicing attempts are unsuccessful and the loans remain delinquent, the account should be processed to the point of acceleration, but is not to be accelerated until the CR complaint is closed with a finding of no discrimination.

Although FmHA Instruction 1951-S, Exhibit A, Attachments 3, 5, 5-A, 9, and 9-A do not accelerate borrower accounts, receipt of these attachments by some borrowers who have filed civil rights complaints against the Agency has created confusion. These borrowers who received attachments believe that these documents violate FSA policy not to accelerate or foreclose borrower accounts until a complaint filed with CR is closed.

Field Office staff shall enclose the following letter with FmHA Instruction 1951-S, Exhibit A, Attachments 3, 5, 5-A, 9, and 9-A when they are sent to borrowers being serviced under FmHA Instruction 1951-S who have an open civil rights complaint filed with CR.

Dear Borrower,

The notices enclosed with this letter provide you with the results of your servicing request and in no way accelerate your FSA loans. If at any time in the future it is necessary to accelerate or foreclose your FSA loans, such action will be taken by separate notice.

Signature

**B
Accelerated
Borrowers**

For those accounts that have an open CR complaint and have been accelerated, no further actions on the foreclosure will be taken until the complaint is closed by CR.

Continued on the next page

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2 Action (Continued)

C

Determining if There Is an Open Complaint

In cases where it is unclear if a borrower has filed a civil rights complaint, or if a civil rights complaint has been closed by CR, State Offices shall contact CR&SBUS at 202-418-9076.

D

Revisions

Any revisions or modifications to this notice published as a State directive must be approved by DAFLP before it is released. The only exception to this requirement is when the revision or modification is necessary for compliance with State law.

E

Questions

Address questions about this notice and requests for additional guidance in specific cases to the FLP Chief in your State Office.

F

Obsolete Material

Notice FLP-4 is obsolete.
