UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-41

1902-A

For: State and County Offices

Supervised Bank Accounts (SBA's)

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Overview

A Background

The Civil Rights Action Team recommended an independent review body be appointed to conduct a review of County Office staffs to determine whether nepotism, conflict of interest, and/or discrimination in program delivery exists.

A National Independent Review Committee was established to conduct this review. One of their concerns was that SBA's were being used for minority borrowers without justification.

SBA's are a useful tool in providing borrowers with assistance in their financial management affairs when it is determined special supervision is necessary.

B Purpose

This notice:

- provides guidelines to ensure that SBA's are needed and properly used
- establishes review requirements for SBA's by DD's or State Office staff.

2 Action

A County Office Action

County Offices shall:

- ensure that all SBA's are being established according to RD Instruction 1902-A
- document in the case file running record the reason SBA was established and the benefits to the borrower of establishing SBA.

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Disposal Date	Distribution
October 1, 1999	State Offices; State Offices relay to County Offices

2 Action (Continued)

B
State and District Office Action

During County Office reviews, DD's and State Office personnel shall post review case files of borrowers with SBA's to:

- verify that documentation is in place
- indicate concurrence that the account is needed.

If the review results in a determination that SBA is **not** needed, DD's and State Office personnel shall:

- contact the borrower
- release loan funds immediately.

The results of the review will be documented in the case file.

C
Contact

State Offices may direct questions about this notice to Jonathan Howard, LMD at 202-720-0588.