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

Notice FLP-134

1956-B

For: State and County Offices

FLP Debt Settlements of Accounts Referred for Cross-Servicing

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Reminder on Accounts Referred for Cross-Servicing

A Background

The Debt Collection Improvement Act of 1996 allows Government agencies to refer certain delinquent debts to the Department of Treasury (Treasury) for collection. Treasury has contracts with different private collection agencies (PCA's) to assist in collecting the delinquent debt. Accounts referred for cross-servicing gives Treasury and PCA's the authority to act on FSA's behalf.

Notice FLP-92 provides guidance on servicing accounts referred for cross-servicing. Once referred, FSA should not take any action on those accounts until PCA's have been given the opportunity to collect the debt. If 2 different PCA's are unsuccessful, Treasury will refer the debt back to FSA with recommendations to either writeoff or refer the account to the Department of Justice for further action.

B Purpose

This notice reminds State and County Offices not to process any servicing actions or debt settlements on accounts that had been referred to Treasury for cross-servicing.

FSA servicing or settlement of accounts on which PCA was attempting to collect jeopardizes the contractual relationship between Treasury and PCA. Such actions could result in costs being assessed to the Agency.

C Contact

If there are questions:

- County Offices shall contact State Offices
- State Offices shall contact Bruce Mair, LSPMD, at 202-690-4009.

Disposal Date	Distribution
November 1, 2000	State Offices; State Offices relay to County Offices