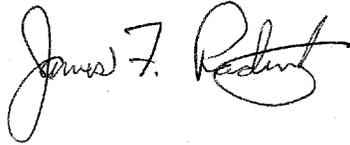


For: State and County Offices

**Homestead Protection and Leaseback/Buyback (LB/BB) Appraisal Appeals**

Approved by: Acting Deputy Administrator, Farm Loan Programs



**1 Applicant's Appeals Rights**

**A**

**Background**

Before the Federal Agricultural Improvement Act of 1996 and resulting amendments to FmHA Instruction 1951-S, applicants attempting to exercise their rights to purchase inventory property at the conclusion of either a Leaseback/Buyback (LB/BB) or Homestead Protection lease were given several options concerning the completion of appraisals and appeals resulting from those appraisals. Thereafter, the applicant's options in requesting an appeal were limited. 1-FLP, paragraph 144 contains guidelines for appraisal appeals.

**B**

**Purpose**

This notice clarifies the appeal rights of applicants who are exercising their option to purchase inventory property that is covered by a LB/BB or Homestead Protection lease.

**C**

**Contact**

For further information about this notice, contact Joseph Pruss, LSPMD, at 202-690-2854.

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<p><b>Disposal Date</b></p> <p>May 1, 2001</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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## 1 Applicant's Appeals Rights (Continued)

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### D

#### Discussion

1-FLP, paragraph 141 outlines the general appraisal requirements of FSA, while 1-FLP, paragraph 144 provides general information on appealing a decision based on an appraisal.

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### E

#### Implementation

An applicant:

- requesting to purchase inventory property at the conclusion of a Homestead Protection lease is serviced under FSA-transferred Instruction 1951-S, sections 1951.911(b)(7)(ii) and 1951.911(b)(6)

**Notes:** Under 1951.911(b)(6), the applicant has the right to select an independent appraiser from a list of appraisers approved by the servicing official.

Neither of these provisions or their corresponding provisions in the CFR confer on the applicant the right to provide a second, independent appraisal for consideration, or negotiation of the appraisal. Those rights are only contained in section 1951.909 governing Primary Loan Servicing. The issue to be appealed is whether the appraisal is consistent with Uniform Standards of Professional Appraisal Practice (USPAP).

- attempting to exercise their right to purchase inventory property at the conclusion of a LB/BB lease, however, is not being serviced under FSA-transferred Instruction 1951-S.

**Note:** In this case, FSA would have the property appraised the same as any other inventory property being prepared for sale. The issue to be appealed also is whether the appraisal is consistent with USPAP.

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