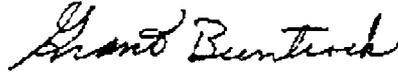


For: State and County Offices

Suspending Farm Credit Foreclosures

Approved by: Administrator



1 Overview

**A
Background**

Before foreclosure action is taken, farm credit borrowers must have received all of their loan servicing rights. Their cases should be properly reviewed by the Department before proceeding with foreclosure, unless directed otherwise by legal counsel on a case-by-case basis.

**B
Purpose**

This notice provides instructions for Offices to suspend certain farm credit foreclosure actions until further guidance is provided by the National Office to ensure that borrowers' rights are given properly and reviews are completed.

2 Action

**A
Immediate
Actions**

Effective immediately:

- all FSA-initiated foreclosure sales shall be suspended following the acceleration notice

Exception: An exception is when a complaint has been filed with the court by the Department of Justice (DOJ). In these cases, Offices, through OGC, shall request that DOJ suspend the sale; however, it will be DOJ's decision to suspend or proceed with foreclosure.

Note: This foreclosure suspension is effective until further guidance is provided by the National Office.

Continued on the next page

Disposal Date

March 1, 1998

Distribution

State Offices; State Offices relay to County Offices

Notice FC-106

2 Action (Continued)

A
**Immediate
Actions
(Continued)**

- discontinue all adverse actions on cases with a discrimination claim on file, unless the action is specifically approved by the Deputy Administrator for Farm Loan Programs.
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B
**Secondary
Actions**

SED's shall continue the practice of reviewing cases for improper servicing and inconsistencies according to Notice FC-94.

Note: Only SED or acting SED can certify on Exhibit 2 of Notice FC-94. This authority shall not be redelegated.

C
Contact

If there are questions:

- County Offices shall contact the State Office
 - State Offices shall contact LSPMD through the Area Office.
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