



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2612 (1965)  
August 5, 1992

**SUBJECT:** Providing Commodity Credit Corporation Lien  
Waivers or Subordinations to Agricultural Stabilization  
Conservation Service When Farmers Home Administration  
Has a Security Interest in Property to be Placed in the  
Conservation Reserve Program or the Wetland Reserve  
Program

**TO:** State Directors, District Directors, and County  
Supervisors

**ATTN:** Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to notify all field offices that Farmers Home Administration (FmHA) and the Agricultural Stabilization and Conservation Service (ASCS) have developed new Memorandums of Understanding (MOU) pertaining to the Wetland Reserve Program (WRP) and Conservation Reserve Program (CRP). These MOU's are filed as FmHA Instructions 2000XX and 2000YY respectively. The intended outcome of this AN is to enable FmHA personnel to understand the steps to be taken when a borrower or ASCS requests FmHA to execute Form ASCS-898, "Subordination Agreement and Limited Lien Waiver Easement," or Form CCC-113, "Subordination Agreement and Limited Lien Waiver Conservation Easement."

COMPARISON WITH PREVIOUS AN:

This AN supplements FmHA AN No. 2342 (1965), dated August 9, 1991, entitled "ASCS Conservation Reserve Program (Farmer Programs)," and FmHA AN No. 2568 (1951), dated June 20, 1992, entitled "Consideration of Conservation Reserve Program Payments for Borrowers Who Apply for Primary Loan Servicing." This AN obsoletes the unnumbered letter dated March 9, 1992, entitled "Subordination Agreement and Limited Lien Waiver Conservation Easement - Form CCC-113."

**EXPIRATION DATE:** July 31, 1993

**FILING INSTRUCTIONS:**  
Preceding FmHA  
Instruction 1965-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

#### IMPLEMENTATION RESPONSIBILITIES:

It is FmHA's policy to execute the appropriate ASCS lien waivers and/or subordination agreements, referenced above, to allow borrowers to participate in the CRPs and/or the WRPs subject to the borrower providing a pledge of the resulting income to FmHA and the borrower meets all of the conditions outlined in Section 1965.12 of FmHA Instruction 1965-A. The following states will be participating in the WRP: California, Iowa, Louisiana, Missouri, Mississippi, Minnesota, New York, North Carolina and Wisconsin.

When FmHA borrowers wish to participate in the CRP, ASCS requires that FmHA subordinate its lien position only on the land(s) actually covered by the CRP contract (CRP easement). This is accomplished by requiring the subordinating party (FmHA) to sign Form CCC-113, "Subordination Agreement and Limited Lien Waiver Conservation Easement." The ASCS easement will be superior to other liens and/or easements except in cases such as a public utility right-of-ways and/or subsurface mineral rights. FmHA will obtain a pledge of income from the borrower on any and all CRP payments associated with the affected land(s). The pledge of income will be obtained through the use of Form CCC-37, "Joint Payment Authorization," and will be for the term of the CRP contract and will be filed with the ASCS office having jurisdiction for the area in which the borrower's farm is located.

Likewise, When FmHA borrowers wish to participate in the WRP, ASCS requires that FmHA subordinate its lien position only on the lands(s) actually covered by the WRP contract (WRP easement). This is accomplished by requiring the subordinating party (FmHA) to sign Form ASCS-898, "Subordination Agreement and Limited Lien Waiver Easement." The ASCS easement will be superior to other liens and/or easements except in cases such as a public utility right-of-ways and/or subsurface mineral rights. FmHA will obtain a pledge of income from the borrower on any and all WRP payments associated with the affected land(s). The pledge of income will be obtained through the use of Form CCC-37, "Joint Payment Authorization," and will be for the term of the WRP contract and will be filed with the ASCS office having jurisdiction for the area in which the borrower's farm is located.

If you have any questions, please contact Johnny Toles, Farmer Programs Loan Servicing and Property Management Division at 202-690-4014.

ANY REVISIONS OR MODIFICATIONS TO THIS AN THAT YOU WISH TO PUBLISH AS A STATE DIRECTIVE MUST BE SUBMITTED AND APPROVED BY THE ASSISTANT ADMINISTRATOR OF FARMER PROGRAMS BEFORE IT IS RELEASED FOR IMPLEMENTATION IN YOUR STATE. THE ONLY EXCEPTION TO THIS REQUIREMENT IS WHEN THE REVISION OR MODIFICATION IS NECESSARY FOR COMPLIANCE WITH STATE LAW.



LA VERNE AUSMAN  
Administrator

Sent by time delay option to States at 2:00 pm on 8/11/92;  
to Districts at 4:00 pm on 8/11/92; and to Counties at  
8:00 am on 8/12/92 by GSS.