



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

August 28, 1986

FmHA AN No. 1467 (1951)

SUBJECT: Servicing Collection-Only Accounts

TO: All State Directors, State Directors-at-Large,
District Directors, and County Supervisors

PURPOSE/INTENDED OUTCOME: This Administrative Notice (AN) is issued to provide instruction on account servicing policies for collection-only accounts that have been referred to a collection agency under a Government-wide collection contract.

COMPARISON WITH PREVIOUS AN: No previous AN on this subject has been issued. Refer to the Administrator's unnumbered memorandum dated June 19, 1986, entitled, "Referring Debts to Collection Agencies."

IMPLEMENTATION RESPONSIBILITIES: Over 6500 collection-only accounts have been referred to a collection agency and will no longer be serviced by field offices. By the end of August the collection agencies will be advising the borrowers that their account has been referred to them for collection. Accounts that have not been referred will continue to be serviced in accordance with Section 1951.7(b) of FmHA Instruction 1951-A. County Supervisors should give priority to debt settling by September 30, 1986, those accounts not referred to the collection agencies.

Collection-only borrowers that have been referred to a collection agency, who contact field offices with regard to making payments or negotiating a debt settlement, will be advised that their account has been placed with a debt collection agency and that they now must make all contacts and agreements through that agency. Advice may be given on debt settlement procedures, available account information may be provided and the borrower will be given the address and telephone number of the collection agency and encouraged to contact them. That will be the extent of our servicing of these cases. The only exception to this will be in the event of an offer to pay the account(s) in full, which will not be refused. The State Office must be notified of all payments in full and the State Office will in turn request advice from the National Office (Assistant Administrator of Farmer Programs on FTS 447-7597 or commercial 202-447-7597) on how to notify the collection agency of the payment in full.

EXPIRATION DATE: August 31, 1987

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1951-A



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Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

1467(1951)

In the near future, the field offices will be contacted by representatives of Capital Credit of Fairfield, New Jersey, for farmer program loans, or Corliss Credit of Hartford, Connecticut, for rural housing loans, concerning accounts referred. They will be requesting additional information from certain borrowers' files to aid them in their collection activities. Employees should cooperate fully with these requests, in an expedient manner.

The collection agencies can be contacted at:

Capital Credit Corporation
P.O. Box 3
Pittsburgh, PA 15220
Phone (201) 575-1677

Corliss Credit Services
801 Main Street
East Hartford, CT 06108
Phone (203) 282-0371



VANCE L. CLARK.
Administrator

Sent by Electronic Mail on 8/29/86 at 10:30 by DASD (IMPS). The State Director should advise other personnel as appropriate.