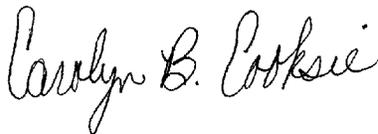


For: State and County Offices

**Applying Proceeds on Accounts With Shared Appreciation**

Approved by: Deputy Administrator, Farm Loan Programs



**1 Applying Proceeds**

**A**

**Purpose**

This notice emphasizes an issue that was identified as a result of an OIG audit about shared appreciation.

**B**

**Sale Proceeds on Accounts With Shared Appreciation Agreements**

State and County Offices are reminded that according to FmHA Instruction 1951-S, Section 1951.914(f), proceeds from the sale of security property will be applied to:

- any shared appreciation due first
- the balance of outstanding FLP loans in the order of lien priority.

**C**

**Contact**

If there are questions about this notice, Farm Loan Managers shall contact the State FLP Chief.

<p><b>Disposal Date</b></p> <p>July 1, 2001</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices</p>
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