

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FLP-226

1-FLP, 2-FLP

For: State and County Offices

Guaranteed Loan Limits for Fiscal Year (FY) 2002

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Pub. L. 105-277), Section 806 increased the guaranteed farm operating (OL) and farm ownership (FO) loan limits to \$700,000 for both loan types. In addition, it mandated that the limits be adjusted each year by the percentage change in the Prices Paid by Farmers Index. Obsolete dollar limits are listed in 7 CFR 761.8(a).

B

Purpose

This notice informs FSA Farm Loan Programs staff of the adjusted limits for guaranteed OL and FO loans for FY 2002.

C

Contact

State Offices shall direct all questions about this notice to the Guaranteed Loan Making Branch at 202-720-3889.

Disposal Date	Distribution
October 1, 2002	State Offices; State Offices relay to County Offices

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2 Loan Limits

A OL and FO Limits

The maximum OL and FO levels and SED loan approval authorities, listed below, are effective upon the release of this notice. These levels include the guaranteed loan being made plus any outstanding direct or guaranteed principal balances, as indicated, owed by anyone who will sign the promissory note. The maximum loan approval authorities outlined in 1-FLP, subparagraph 29 D are not changed, except for SED.

The total outstanding:

- combined guaranteed FO and OL principal balance cannot exceed \$759,000
- direct and guaranteed FO principal balance cannot exceed \$759,000
- direct and guaranteed OL principal balance cannot exceed \$759,000
- direct and guaranteed FO and OL principal balance cannot exceed \$959,000
- direct and guaranteed FO, OL, and EM principal balance cannot exceed \$1,459,000.

Note: Balances for soil and water loans are included in the FO limits.

B Handbooks

1-FLP and 2-FLP:

- do not currently reflect these revised loan limits
 - will be updated after a notice of the increased loan limits is published in the Federal Register.
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C Lender Notification

State and County Offices shall notify participating guaranteed lenders of the adjusted loan limits.
