UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Little Rock, Arkansas 72201

AR Notice FI-85

For: All STO Employees

Submitting Bankruptcy Cases to the State Office and OGC

Approved by: State Executive Director

1 Overview

A Background

According to FSA procedure, County Offices should contact OGC thru the State Office before taking any action after being notified that a producer has filed a petition for bankruptcy. Bankruptcy involves many complex legal issues to which generalized statements of definitions do not apply, which is why it is necessary to seek legal advice.

B Purpose

The purpose of this notice is to instruct County Offices of the documentation necessary to timely submit bankruptcy cases and/or any other legal cases, involving Farm Programs (FP), to OGC for legal advice.

2 Information

County Offices should not, without legal advice, take any action after being notified that a person has filed a petition for bankruptcy. **Do not, without OGC advice:**

- request or require debt repayment
  (Do not send demand letters, request payment by phone, etc....)
- make any payment directly to the producer
- offset any payment due the bankrupt producer
  (Notify the State Office immediately of payments due and await advice from OGC)

Producers involved in Bankruptcy are also ineligible to have their claims reported to credit bureaus.

Disposal Date	Distribution
December 31, 2003	FSA Offices

3 Action

County Offices shall submit FP bankruptcies by:

- sending a detail memo
  (Explaining whether the producer is requesting program participation,
  due to receive a program payment, has any loans, has any receivables/claims, has any assignment, etc....)

- send copies of all bankruptcy information received, program documentation, loan documentation, receivable/claim documentation, assignment documentation and any other information that may be helpful in giving OGC a precise overview of the case being reviewed.

- Send 2 copies of all information submitted
  (One for the State Office and one for OGC)

- Adjust the credit bureau reporting flag to "N" in ACS (Refer to 64-FI)

4 Contact

If there are any FLP Loan Bankruptcy questions, please contact Tom Howard (at 501-301-3035 or tom.howard@ar.usda.gov). If there are any FP Loan Bankruptcy questions, please contact Tony Franco (at 501-301-3052 or tony.franco@ar.usda.gov). For all other Bankruptcy questions, contact Rhonda O'Guinn (501-301-3018 or rhonda.oguinn@ar.usda.gov).