

Equitable Relief FAQ



Q: What is the FSA Equitable Relief Rule?

A. The 2018 Farm Bill authorized USDA to provide flexibility to certain direct loan borrowers who acted in good faith but may not have received the correct guidance from FSA resulting in them receiving a loan that they were not eligible for. Previously, direct loan borrowers that may not have received correct guidance were required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing. Now, FSA has additional flexibilities to assist those borrowers and they will not be penalized.

Q: Is this the same as the disaster assistance funding?

A. Equitable Relief and Disaster Assistance programs are not the same. Equitable relief deals with the non-compliance of a direct loan borrower who may not have received the correct guidance from FSA.

USDA provides a suite of disaster assistance programs to help offset losses as well as crop insurance and other coverage options to help manage risk and provide a safety net for producers. More information about those programs can be found on the farmers.gov [Protection and Recovery](#) webpage.

Q: What actions meet the qualifications for equitable relief?

A. Certain direct loan borrowers may qualify for equitable relief if they are in non-compliance with USDA rules because they didn't receive correct guidance from an FSA official.

If the agency provided incorrect guidance to the borrower, the agency may provide equitable relief to that borrower. An example would be if it was determined that FSA used incorrect calculations to determine that a borrower was eligible for an emergency loan only to later discover that they were not eligible. Instead of requiring the borrower immediately repay the loan equitable relief could be granted to allow the borrower to continue with the original loan under existing rates and terms.

Q: What actions do not meet the qualifications for equitable relief?

A. Equitable relief options will not be considered for:

- Actions taken outside of FSA's control (implementation of NAD determinations, compliance with court rulings, etc.).
- Accounts or issues which have already received another form of relief under FSA or other USDA programs to resolve the issue or account.
- Borrower(s) requesting relief from their debt due to delayed processing of their loan request.

Q: What actions can be taken for borrowers that qualify for equitable relief?

A. Equitable relief for direct loan borrowers may include correcting interest rates, terms, and conditions, or otherwise finding a solution that is not detrimental to the borrower.

Q: If granted, are equitable relief actions final?

A. Any equitable relief actions taken to remedy the borrower's noncompliance status, is considered final and not subject to administrative appeal or judicial review.

Q: How do I find out if I qualify for equitable relief options?

A. We encourage producers to reach out to their local FSA loan officials to ensure they fully understand the wide range of loan and servicing options available to them, including the equitable relief options that can assist them in starting, expanding, or maintaining their operation.