

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Regular Direct Loan Servicing  
4-FLP**

**Amendment 11**

**Approved by:** Deputy Administrator, Farm Loan Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 4 B has been amended to require State Offices to submit a request for an Administrator's Exception by e-mail.

Subparagraph 4 C has been added to provide limited exception authority to SED's.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
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## 4 FSA Exception Authority

### A General

**[7 CFR 765.501] On an individual case basis, the Agency may consider granting an exception to any regulatory requirement or policy of this part if:**

**(i) The exception is not inconsistent with the authorizing statute or other applicable law; and**

**(ii) The Agency's financial interest would be adversely affected by acting in accordance with published regulations or policies and granting the exception would resolve or eliminate the adverse effect upon the Agency's financial interest.**

\*--Except as provided in subparagraph C, authority for granting approval of an exception is held only by the Administrator and DAFLP.

A decision as to whether an exception request will be submitted will be at FSA's discretion and is not appealable.

A request for an exception to program regulations should not be pursued under normal servicing conditions. Except under subparagraph C, FSA considers requests submitted under extraordinary circumstances only.

### B Submitting Exception Requests

For exception requests that cannot be approved under subparagraph C, SED must submit an exception request to DAFLP by e-mail to **RA.dcwashing2.FSA-AdmException**. The e-mail subject should read "Administrator's Exception to (cite 4-FLP subparagraph) – (Borrower's Name and State)." An **encrypted** attachment must fully describe the status of the account,--\* including:

- a brief background on the case
- total outstanding FSA indebtedness; loan types and amounts
- current status of the account; if it is delinquent, where it is in Primary Loan Servicing
- type of security (chattel or real estate) and estimated value
- prior liens
- proposed plan of action that warrants the exception request

## 4 FSA Exception Authority (Continued)

### B Submitting Exception Requests (Continued)

- what procedure is to be waived
- the adverse effect to FSA resulting from compliance with the regulation and how it would be eliminated or minimized through the exception
- discussion of graduation
- how the action is in the best interest of the Government
- additional information that SED thinks will be needed to review the case.

\* \* \*

### \*--C Limited Exception Authority Delegated to SED

SED is authorized to approve exception to the following specific requirements:

- subparagraph 99 E (2), for real estate surface leases greater than 3 or 5 years for either of the following:
  - nonfarm purposes, such as wind turbines or communication towers
  - unused agriculture property, such as milk barns, vacant houses, or real farm property located a significant distance from the primary operation or not utilized in the primary operation

**Example:** 20 acres of pasture for a crop farmer.

- subparagraph 117 A to permit real estate subordination for nonlending purposes, such as wind turbines or communication towers
- subparagraph 117 A to permit real estate subordination for refinancing purposes.

All other applicable requirements for the transaction set forth in this handbook must be met, or the request submitted to the National Office according to subparagraph B.

County Offices may submit requests by e-mail to SED with a carbon copy to FLC. The request must include the status of the account including all information outlined in subparagraph B.

**Notes:** The account status information must be **encrypted** if sent by e-mail.

SED's may notify County Offices of approval by e-mail.--\*