

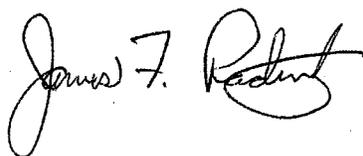
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Regular Direct Loan Servicing
4-FLP**

Amendment 20

Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 2 C has been amended to reference 1-FLP, subparagraph 2 C.

Subparagraph 3 A has been amended for clarification.

Subparagraph 3 E has been amended to clarify when States may modify national forms.

Subparagraph 3 F has been amended to address online availability of State-created forms.

Subparagraphs 4 A and B have been amended to remove reference to subparagraph C, that was removed by a previous amendment.

Subparagraph 46 D and Exhibit 21 have been removed to eliminate annual graduation reminder letters.

Paragraph 100 has been revised to clarify borrower noncompliance with loan agreements.

Exhibits 25, 27, 31, and 51 have been amended to update the USDA nondiscrimination statement.

Exhibit 27 has been amended to include FSA-2041.

Exhibits 29, 30, 32 and 33 have been amended to add the USDA nondiscrimination statement.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
5	1-3 through 1-8 4-1, 4-2 6-13, 6-14	21, page 1 (remove) 25, page 1 page 2 (add) 27, page 1 29, pages 1, 2 30, page 1 31, page 1 32, page 1 33, page 1 51, page 1

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Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority
2	Definitions of Terms Used in This Handbook (7 CFR 761.2(b))
3	(Reserved)
4	State Supplements
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2 Related References (Continued)

C State Supplements

See Exhibit 4 for State supplements required by this handbook. SED's are authorized to issue State supplements to this handbook in addition to State supplements listed in Exhibit 4, *--according to 1-FLP, subparagraph 2 C.--*

* * *

3 FLP Forms

A Form References

--Except as provided in this paragraph, this handbook references forms according to the forms numbering system that became effective December 31, 2007. Forms executed before December 31, 2007, may have a number different from that referenced. See 1-FLP, Exhibit 5 for a comparison of form numbers before and after December 31, 2007.--

Note: See Exhibit 1 for titles of forms referenced in this handbook.

With the exception of FSA-2510, FSA-2512, and FSA-2514, form numbers are not referenced in CFR (**bold**) text. CFR refers to forms by either:

- the common name of the form

Example: CFR may state, “a promissory note”, instead of stating, “FSA-2026”.

- purpose or the information collected.

Example: CFR may state, “a shared appreciation agreement”, instead of stating, “FSA-2543”.

This handbook may refer to the following forms by title and/or form number.

Form Number	Form Title
FSA-2026	Promissory Note
FSA-2029	Mortgage/Deed of Trust
FSA-2543	Shared Appreciation Agreement

3 FLP Forms (Continued)

B FSA-2029

All references to FSA-2029 within this handbook are intended as a reference to the applicable State-specific Mortgage or Deed of Trust. State-specific Mortgages or Deeds of Trust are available on the FFAS Employee Forms/Publications Online Website at <http://intra3.fsa.usda.gov/dam/ffasforms/forms.html> and are numbered FSA-2029 “ST”.

Notes: “ST” represents the appropriate State acronym.

SED is not required to issue a State supplement for the State-specific version of FSA-2029.

C Notary Acknowledgement

Forms do not include preprinted text for the Notary Acknowledgement because numerous States have State-specific laws establishing required text. Therefore, a fillable text area is provided under the “Acknowledgement” heading. SED’s shall issue State supplements providing the appropriate Notary Acknowledgement text to be inserted.

D Applicant and Borrower Signatures

Forms completed by applicants or borrowers include a signature box to accommodate multiple signatures. Separate signature lines are not provided because the number of signatures required for an entity applicant or borrower cannot be determined in advance. Instructions for completing forms will provide guidance to applicants or borrowers on signature requirements.

Forms prepared by FSA for the applicant or borrower’s signature include a fillable area instead of preprinted signature lines. County Offices shall insert a signature line and the name of each applicant, borrower, entity member, or other individual required to sign the form.

SED’s shall issue a State supplement addressing State-specific signature requirements.

3 FLP Forms (Continued)

***--E State-Modified National Forms**

State and County Offices shall use national forms unless their use is prohibited by State law. In such cases, the State Office may modify the national form. Follow guidance in 1-FLP, subparagraph 3 H for obtaining clearance for State-modified national forms.

Note: State-modified national forms based on national forms will be made available on--* the FFAS Employee Forms/Publications Online Website at <http://intra3.fsa.usda.gov/dam/ffasforms/forms.html> with the same form number as the national form, followed by the State acronym.

F State-Created Forms

State Offices may create forms, as necessary, when a national form is not available. State-created forms shall be assigned a 5-digit number establishing linkage to the appropriate FLP handbook, followed by the State acronym, according to the following.

IF the form pertains to...	THEN the form number shall be...
more than one FLP handbook	FSA-2000-1 ST, FSA-2000-2 ST, FSA-2000-3 ST, etc.
1-FLP	FSA-2100-1 ST, FSA-2100-2 ST, FSA-2100-3 ST, etc.
2-FLP	FSA-2200-1 ST, FSA-2200-2 ST, FSA-2200-3 ST, etc.
3-FLP	FSA-2300-1 ST, FSA-2300-2 ST, FSA-2300-3 ST, etc.
4-FLP	FSA-2400-1 ST, FSA-2400-2 ST, FSA-2400-3 ST, etc.
5-FLP	FSA-2500-1 ST, FSA-2500-2 ST, FSA-2500-3 ST, etc.
6-FLP	FSA-2600-1 ST, FSA-2600-2 ST, FSA-2600-3 ST, etc.

Notes: “ST” represents the appropriate State acronym.

--Before using State-created forms imposing information collections on 10 or more-- persons per year, State Offices shall work with the National Office to obtain OMB approval.

--State-created forms will be made available on the FFAS Employee Forms/Publications Online Website at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>--

* * *

G Other Sources of Forms

FSA does **not** provide forms that establish an agreement or contract between applicants/borrowers and third parties only, such as leases. Advise applicants/borrowers to obtain these forms from other sources, such as Extension Service, on-line services, attorney, etc.

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.

* * *

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. * * * FSA considers requests submitted under extraordinary circumstances only.

B Submitting Exception Requests

* * * 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.

* * *

Part 4 Borrower Graduation

46 Graduation Requirements

A General

The direct FLP is * * * a temporary source of credit. By statute, FSA periodically conducts graduation reviews to assess the borrower's ability to graduate to commercial credit. The borrower must provide FSA with all the information requested for the reviews. Borrowers whose financial condition has improved to a point they can refinance their debt with commercial credit will be asked to seek other financing and partially or fully payoff their *--FSA debt. A graduation of all program loans is considered a full graduation even though the borrower may still have NP's remaining.

The requirements of this part apply only to program borrowers, except CL-only borrowers, and borrowers with a combination of program loans and NP's.

B CL-Only Borrowers

[7 CFR 765.101(g)] CLs are not subject to graduation requirements under this part.

Borrowers who have other program loans outstanding in addition to CL will be subject to graduation requirements on the other program loans only.--*

C Graduation Criteria

[7 CFR 765.101(a)] In accordance with the promissory note and security instruments, the borrower must graduate to another source of credit if the Agency determines that:

- (1) The borrower has the ability to obtain credit from other sources; and**
- (2) Adequate credit is available from other sources at reasonable rates and terms.**

[7 CFR 765.101(b)] The Agency may require partial or full graduation.

- (1) In a partial graduation, all FLP loans of one type (i.e. all chattel loans or all real estate loans) must be paid in full by refinancing with other credit with or without an Agency guarantee.**
- (2) In a full graduation, all FLP loans are paid in full by refinancing with other credit with or without an Agency guarantee.**
- (3) A loan made for chattel and real estate purposes will be categorized according to how the majority of the loan's funds are expended.**

46 Graduation Requirements (Continued)

C Graduation Criteria (Continued)

FSA will review provisions of individual promissory notes to ensure that graduation language is included. Some older promissory notes do not contain graduation clauses. These loans are not subject to the same graduation requirements.

* * *

47 Graduation Review Process

A Obtaining Underwriting Criteria From Local Lenders

Each October, the authorized agency official shall contact local lenders to obtain their underwriting criteria for making agricultural loans. Information gathered from these contacts will be summarized on Exhibit 22, with any additional comments in narrative form, and placed in the county operational files FLP 2-2 “Agriculture Lender Contacts” and FLP 4-2 “Graduation”, according to 25-AS. At a minimum, the narrative for each lender will contain the following:

- lender’s interest in refinancing FSA borrowers, including interest in receiving the graduation prospectus described in subparagraph D
- lender’s rates, terms, fees, loan conditions, and policies for annual operating, term operating, and real estate loans.

99 Borrower Responsibilities for Complying With Loan Instruments (Continued)

I Allotments Leases

[7 CFR 765.252 (e)] (1) The Agency will not approve any crop allotment lease that will adversely affect its security interest in the allotment.

(2) The borrower must assign all rental proceeds from an allotment lease to the Agency.

J Lease Proceeds

[7 CFR 765.252 (d)] Lease proceeds are considered normal income security and may be used in accordance with § 765.303 (paragraph 163).

100 Borrower Noncompliance With Loan Agreements**A Documenting Noncompliance**

*--To be eligible for any kind of FSA loan servicing options, the borrower must be in compliance with loan agreements. The authorized agency official will fully document a borrower's noncompliance, such as the failure to report using security proceeds, in the borrower's case file. Documentation must include, but is not limited to:

- type, nature, circumstances, and reasons for noncompliance
- any actions taken by the borrower to correct the noncompliance
- requirements of subparagraph 181 A for conversion.

Borrowers in noncompliance will be given the opportunity to correct the matter whenever possible. The borrower will be contacted and provided the opportunity to explain the potential noncompliance using Exhibit 28.5 or Exhibit 31 for conversion (Part 7, Section 2). Any response received from the borrower will be documented in the case file and any materials will be included in the case file. The authorized agency official will review the borrower's response and determine if the potential noncompliance has been satisfactorily resolved. If the issue is resolved, the case file will be documented and no further action will be taken.

According to paragraph 99, FSA may deny loan servicing actions to a borrower who has a significant noncompliance history, even if the borrower later resolved the issues.

B Nonmonetary Default

Except for third party foreclosures, failure to pay real estate taxes or insurance, and UCC renewal fees, where nonmonetary default decisions can be made in the local office, if the authorized agency official determines that the noncompliance has not been resolved and the borrower is in nonmonetary default, the account will be referred to SED for concurrence. FSA-2551 will be prepared by the local office and must include all pertinent information, evidence, and any responses provided by the borrower about the potential noncompliance. FSA-2551 and all documentation will be forwarded to SED for concurrence of nonmonetary default determination. OGC concurrence is not required.

C Lack of Good Faith

SED will determine if a lack of good faith determination will be pursued and must obtain OGC concurrence. Lack of good faith may only be pursued in conjunction with a submission of the case to OGC and/or OIG for civil or criminal action as described in 5-FLP, Part 11.--*

Notice to Borrower to Refinance FSA Indebtedness

If any lenders are interested in refinancing FSA loans, the authorized agency official will send the borrower a letter, similar to the following, listing lenders that are interested in refinancing the borrower's FSA loans. Go to <http://165.221.16.90/dam/ffasforms/forms/html>, CLICK "Find Current Forms Using Our Form Number Search", in Form Number block, type, "4-FLP Exhibit 25", and CLICK "Submit".

*--

4-FLP, Exhibit 25

(Use Agency Letterhead format with local return address.)

LETTER TO NOTIFY BORROWERS TO REFINANCE THEIR FSA INDEBTEDNESS

Dear:

The financial progress you have made since receiving your Farm Service Agency (FSA) loan(s) has been reviewed. You should take pride in the progress you have made. We share that pride with you and are pleased that we may have been of service.

Your FSA loan and security instruments require you to refinance the unpaid balance of your loan(s), when you have progressed to the extent that you can obtain credit from responsible cooperative or commercial lenders.

Lenders have been contacted to determine their requirements and the availability of credit to new customers. We have evaluated your financial progress, together with the lender requirements, and find that you should now be able to secure satisfactory credit to pay your FSA loan(s). Therefore, we request that you refinance your [Enter type of loan, FO, OL, etc] loan(s) in full.

This approximate balance is \$ _____.

We suggest you contact the following lenders within 30 days. You may contact other lenders if they offer credit for the type of loan(s) being considered for refinancing. [Enter lenders that have indicated they would consider the credit]

If you are unable to graduate your loan(s) in full, you will need to provide this office within _____ days with written evidence showing that you made an earnest effort to seek other credit. Such evidence should include:

- The name(s) of other lender(s) contacted
- The amount of loan requested by you and the amount, if any offered by the lender(s)
- The rates and terms offered by the lender(s) or the specific reason(s) why other credit is not available, and
- The purpose of the loan request.

If you wish, an appointment will be arranged to discuss questions you may have. Our telephone number is _____.

Sincerely,

[Authorized Agency Official's Title]

--*

Notice to Borrower to Refinance FSA Indebtedness (Continued)

*--

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited basis will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

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Notice of Termination of Security Interests in Farm Products

After verifying that the loans are paid in full and the payment has cleared, the authorized agency official will close the case files and return the documents to the borrower according to 25-AS, paragraph 89. Any assignments held by FSA will be terminated using the following letter and satisfaction of liens will be recorded on FSA-2433. Go to <http://165.221.16.90/dam/ffasforms/forms/html>, CLICK "Find Current Forms Using Our Form Number Search", in Form Number block, type, "4-FLP Exhibit 27", and CLICK "Submit".

*--

4-FLP, Exhibit 27

(Use Agency Letterhead format with local return address.)

NOTICE OF TERMINATION OF SECURITY INTERESTS IN FARM PRODUCTS

[Purchaser's Name, Address, and Telephone Number]

[Borrower's Name, Address, and Telephone Number]

The subject borrower has fully repaid the debt secured by the farm product describe in:

- 1. Consent to Payment of Proceeds from Sale of Products (FSA-2042) dated: _____.
- 2. Assignment of Proceeds from the Sale of Dairy Products and Release of Security Interest (FSA-2043) dated: _____.
- 3. Assignment of Proceeds from the Sale of Products (FSA-2041) dated: _____.

Therefore, the Farm Service Agency (FSA) or its successor agency, no longer has a security interest in such farm products, and the payment to FSA under such consent or assignment should be discontinued.

United States of America

By _____

Title _____

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Notification Letter to Potential Purchasers

A Example of Notification Letter

In States without CFS, FSA follows the filing requirements specified for perfecting a lien on a borrower's chattel security under State law. FSA will distribute the list of chattel and crop borrowers to sale barns, warehouses, and other businesses listed by the borrower on FSA-2040 that buy or sell chattels or crops. The notification to potential purchasers will be mailed using the following letter. Go to <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>, CLICK "Find Current Forms Using Our Form Number Search", in the "Form Number" block, type, "4-FLP Exhibit 29", and CLICK "Submit".

*--

4-FLP, Exhibit 29

(Use Agency Letterhead format with local return address.)

NOTIFICATION LETTER TO POTENTIAL PURCHASERS

To :

Date:

Dear Buyer,

The United States of America, through the Farm Service Agency, has made loans to borrowers living in your vicinity to enable them to carry on their farming operations. As security for such loans, the borrowers have executed in favor of the United States, (1) mortgages on crops, livestock, and farm equipment in chattel mortgage states, or (2) financing statements and security agreements on crops, livestock, supplies, other farm products, farm equipment and inventory and on the proceeds and products thereof in Uniform Commercial Code States. The appropriate instruments are filed or recorded in the place and manner prescribed by law. As you are a buyer of certain types of property on which the Farm Service Agency takes liens, we are attaching a list of the names and addresses of some of the borrowers, residing in the County indicated on the list, who have executed security instruments on such property in favor of the United States.

This list is sent to you to comply with the notification requirements under 7 U.S.C. 1631 (protection for purchasers of farm products). It does not relieve you of any responsibility you may have of keeping informed of recorded lien instruments covering the property you purchase. It should be treated as confidential.

If you have questions concerning any particular transaction involving any of the property on which the Farm Service Agency holds a lien, please contact _____.

Sincerely,

[Authorized Agency Official's Title]

Attachment

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited basis will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

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Notification Letter to Potential Purchasers (Continued)

B List of FSA Borrowers

Complete the following list and attach to the Notification Letter to Potential Purchasers.

Note: Follow applicable directives providing for protection of PII.

*--

4-FLP, Exhibit 29		
LIST OF FARM SERVICE AGENCY BORROWERS		
1. Name and Address of Person Indebted to Secured Party	2. Debtor's Tax I.D. or Social Security Number (9 Digits)	
3A. Description of Farm Product(s)		
3B. Approximate Quantity	3C. Crop Year	3D. County Where Located
4. Checks Jointly Payable Any check you may draw in payment for the farm products described in this notice must be made payable both to: FARM SERVICE AGENCY (FSA) AND _____		
5. Any Other Payment Obligations		
1. Name and Address of Person Indebted to Secured Party	2. Debtor's Tax I.D. or Social Security Number (9 Digits)	
3A. Description of Farm Product(s)		
3B. Approximate Quantity	3C. Crop Year	3D. County Where Located
4. Checks Jointly Payable Any check you may draw in payment for the farm products described in this notice must be made payable both to: FARM SERVICE AGENCY (FSA) AND _____		
5. Any Other Payment Obligations		
1. Name and Address of Person Indebted to Secured Party	2. Debtor's Tax I.D. or Social Security Number (9 Digits)	
3A. Description of Farm Product(s)		
3B. Approximate Quantity	3C. Crop Year	3D. County Where Located
4. Checks Jointly Payable Any check you may draw in payment for the farm products described in this notice must be made payable both to: FARM SERVICE AGENCY (FSA) AND _____		
5. Any Other Payment Obligations		
<p><i>The information on the list of Farm Service Agency borrowers contains personally identifiable information (PII) that is protected from unauthorized use and/or unauthorized disclosure by Federal statutes to include the Privacy Act of 1974 (5 U.S.C. § 552a - As Amended). Unauthorized use and/or unauthorized disclosure of protected data may result in civil or criminal penalties for failure to comply with Federal statutory requirements and/or for wrongful use/disclosure of confidential information.</i></p>		
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Change in List of FSA Borrowers

This notification, or Exhibit 29 at the discretion of FLM or SFLO, will be updated at least annually as required, to ensure that purchasers are aware of the Government's security interests. Go to <http://165.221.16.90/dam/ffasforms/forms.html>, CLICK "Find Current Forms Using Our Form Number Search", in Form Number block, type, "4-FLP Exhibit 30", and CLICK "Submit".

*--

4-FLP, Exhibit 30

(Use Agency Letterhead format with local return address.)

CHANGE IN LIST OF FARM SERVICE AGENCY BORROWERS

Dear Buyer,

With regard to the List of Farm Service Agency Borrowers forwarded to you on _____, please add or delete the names as noted below. Attached, please find complete information on those borrowers being added

Add

Delete

As security for such loans, these borrowers have executed in favor of the United States (1) mortgages on crops, livestock, and farm equipment in chattel mortgage states, or (2) financing statements and security agreements on crops, livestock, supplies, other farm products, farm equipment and inventory and on the proceeds and products thereof in Uniform Commercial Code States. The appropriate instruments are filed or recorded in the place and manner prescribed by law.

Please contact this office if you have any questions.

Sincerely,

[Authorized Agency Official's Title]

Attachment

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Notification of Unauthorized Use of Proceeds

Upon noting an apparent unauthorized disposition of security, FSA will notify the borrower using the following. Go to <http://165.221.16.90/dam/ffasforms/forms/html>, CLICK "Find Current Forms Using Our Form Number Search", in Form Number block, type, "4-FLP Exhibit 31", and CLICK "Submit".

*--

4-FLP, Exhibit 31

(Use Agency Letterhead format with local return address.)

NOTIFICATION OF UNAUTHORIZED USE OF PROCEEDS

United States Department of Agriculture Farm Service Agency [Location].

Dear :

It is our understanding that on or about [date] you [sold, traded, exchanged] the following described property: _____ for \$ ____.

Such property is covered by a (financing statement and security agreement or chattel mortgage, as appropriate) which secures your indebtedness owed to the Farm Service Agency (FSA).

Since you did (not use the property) (not account for the proceeds) in accordance with your security instruments and signed agreement dated _____, we demand that you either pay the FSA the above described amount or replace the property with property of equal or greater value within 30 days.

If you believe you possess information that will show this demand is in error, you should contact the County Office at [Telephone number, include area code] within 10 days to arrange an appointment to discuss this matter and present such information.

If you do not comply with this demand we will declare your loans to be in default, recommend referral of this claim to the United States Attorney for appropriate action, and make demand upon the purchasers of the property.

Sincerely,

[Authorized Agency Official's Title]

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited basis will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

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Initial Notification of Third-Party Purchaser

With SED concurrence, the authorized agency official will send the following notification to third-party purchasers when the:

- disposition cannot be approved
- third party has purchased collateral for an FSA loan
- borrower is unable or unwilling to make restitution and has been notified according to 5-FLP, Part 3.

Go to <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>, CLICK “Find Current Forms Using Our Form Number Search”, in Form Number block, type, “4-FLP Exhibit 32”, and CLICK “Submit”.

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4-FLP, Exhibit 32

(Use Agency Letterhead format with local return address.)

INITIAL NOTIFICATION OF THIRD-PARTY PURCHASER

Dear:

It is our understanding that on or about _____, you purchased the following property from _____ for \$ _____:

All of the above property you purchased is covered by a _____ ([financing statement, security agreement, chattel mortgage, etc., as appropriate]) held by the Farm Service Agency (FSA) and executed by our borrower, _____. The _____ ([financing statement, security agreement, chattel mortgage, etc., as appropriate]) was filed in number _____ on _____ and is _____.

The borrower _____ ([failed to apply any part, or applied only \$ _____]) of the proceeds of this sale on their FSA account. The lien on this property has not been released.

By this letter, we are notifying you of our interest in the property and making demand upon you to return the property to the borrower or pay its market value (at the time it was purchased by you) to the FSA within 30 days. This matter has been forwarded to the FSA State Office.

Please feel free to contact this office at _____ if any further information is required.

Sincerely,

[Authorized Agency Official's Title]

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited basis will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

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SED Notification of Third-Party Purchaser

If no response to Exhibit 32 has been received within 30 calendar days, the following will be forwarded to the purchaser by SED. If satisfaction is not made within 15 calendar days, SED will forward the account to OGC. Go to <http://165.221.16.90/dam/ffasforms/forms/html>, CLICK “Find Current Forms Using Our Form Number Search”, in Form Number block, type, “4-FLP Exhibit 33”, and CLICK “Submit”.

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4-FLP, Exhibit 33

(Use Agency Letterhead format with local return address.)

**STATE EXECUTIVE DIRECTOR
NOTIFICATION OF THIRD-PARTY PURCHASER**

Dear:

Our records show that on _____ you were contacted by our local office and demand was made upon you in connection with the property you purchased from _____. This property remains under lien by the Farm Service Agency.

Since you have not met this demand, we are preparing the case for submission to the United States Attorney. If you do not comply with the demand within 15 days, this office will request that Office of the General Counsel of the United States Department of Agriculture refer the matter to the Department of Justice.

Sincerely

State Executive Director

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

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Denial of Non-Program Assistance

If an application for non-program assistance cannot be approved, it will be denied with this exhibit. Go to <http://165.221.16.90/dam/ffasforms/forms/html>, CLICK "Find Current Forms Using Our Form Number Search", in Form Number block, type, "4-FLP Exhibit 51", and CLICK "Submit".

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4-FLP, Exhibit 51

(Use Agency Letterhead format with local return address.)

DENIAL OF NON-PROGRAM ASSISTANCE

Dear:

After careful consideration we were unable to take favorable action on your application/request for Farm Service Agency (FSA) services for the following reasons:

[Enter specific reasons for the adverse action]

If you think FSA is in error, you may submit evidence within 15-calendar days to the undersigned documenting why FSA's decision is in error. Your request will be forwarded to the next level supervisor within FSA for consideration. This review will be based solely upon the record including your case file. Applicable statutes and regulations and the documentation you submit to support your position will be considered by the next level supervisor.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, handicap, or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with the law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Sincerely,

[Authorized Agency Official's Title]

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at program.intake@usda.gov.

Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

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