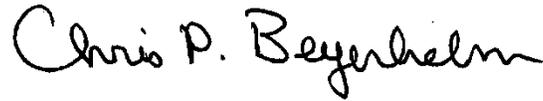


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Regular Direct Loan Servicing 4-FLP	Amendment 7
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Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Exhibit 34 has been amended to provide the correct Final Payoff Letter.

Page Control Chart		
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Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority
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65 Final Payments (Continued)**E Borrower Refunds**

[7 CFR Part 765.155(b)] If the borrower refunds the entire loan after the loan is closed, the borrower must pay interest from the date of the note to the date the Agency received the funds.

F Security Instrument Releases

[7 CFR Part 765.155(a)] (1) Unless the Agency has reservations regarding the validity of the payment, the Agency may release the borrower's security instruments at the time payment is made, if the borrower makes a final payment by one of the following methods:

- (i) Cash;**
- (ii) U.S. Treasury check;**
- (iii) Cashier's check; or**
- (iv) Certified check.**

[7 CFR Part 765.155(a)(2)] Security instruments will only be released when all loans secured by the instruments have been paid in full or otherwise satisfied.

The authorized agency official will check FSA's automated systems, including ADPS and DLS, and all information in the borrower's file.

SED may issue a State supplement providing guidance about actions and filing fees for the release of loan security instruments.

[7 CFR 765.155(a)(3)] The Agency will return the paid note and satisfied security instruments to the borrower after the Agency processes the final payment and determines that the total indebtedness is paid in full.

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 Exhibit 27 and satisfaction of liens will be recorded on FSA-2433.

When the final payment of an insured farm ownership account is paid in full and the note and security instrument are held by the lender, FSA-2434 will be completed and sent to the borrower with the promissory note marked "Paid in Full". SED will be consulted for consultation with OGC if the security is under a trust assignment or declaration of trust.

65 Final Payments (Continued)**G Final Payoff * * * Letter**

Within 30 calendar days of all proceeds being credited to the account by the Finance Office and the release of all security, the County Office will forward a letter (Exhibit 34) to the former borrower. This letter acknowledges the success of the relationship of the farmer and FSA. It is **not** to be sent to present borrowers, and it will not mark the end of an unsuccessful venture or difficult time period. Therefore, this letter should **not** be used if the payoff was related to:

- partial graduation
- bankruptcy
- offset
- voluntary conveyance
- foreclosure, judgment, or any other type of legal action
- *--debt settlement or Current Market Value Buyout--*
- any other circumstances in which the Agency thinks it would be inappropriate.

66-95 (Reserved)

***--Final Payoff Letter**

The following is the Final Payoff Letter that FSA will send to former borrowers who are successful and pay all FSA FLP loans in full. To obtain an electronic copy, go to <http://165.221.16.90/dam/ffasforms/html>, CLICK “Find Current Forms Using Our Form Number Search”, and in the “Form Number” block, type, “4-FLP Exhibit 34”, and then CLICK “Submit”.

4-FLP, Exhibit 34

(Use Agency Letterhead format with local return address.)

FINAL PAYOFF LETTER

Dear:

The Farm Service Agency’s (FSA) records indicate that you recently paid off your direct loan. I would like to take this occasion to congratulate you on your success and thank you for the opportunity to assist with your operation’s financing needs. It was a pleasure working with you.

As the lender of first opportunity, FSA makes direct loans to beginning family farmers who meet certain eligibility requirements to start and continue farming businesses. Also, FSA provides a safety net to established farmers who have suffered financial setbacks or natural disasters. If you know of any other farmers or ranchers who you believe would benefit from FSA’s services, please tell them about us.

I wish you continued success with all your future plans, and thank you again for the opportunity to assist you.

Sincerely,

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