

341 Lender Responsibility in Bankruptcy Proceedings**A Lender Responsibility in Bankruptcy Cases**

Upon knowledge that a guaranteed borrower has filed bankruptcy, the Farm Loan Manager will immediately contact the lender, review the provisions of Paragraphs 340-344 of the 2-FLP Handbook. This meeting will be documented in the running case record.

For re-organization bankruptcy the Farm Loan Manager will inform the lender in writing of the following:

- Non-guaranteed debts of the lender can not be added to the guaranteed loan(s).
- If there is more than one guaranteed note, the notes must be kept and addressed separately in the bankruptcy plan. They should not be consolidated.
- Interest may be capitalized, but not in an amount greater than allowed by statute.
- The lender must keep FSA advised of all bankruptcy proceedings and when possible obtain FSA concurrence before entering into any agreements or stipulations.