

For: State and County Offices

COC Decisions on Guaranteed Loans

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

Loan eligibility, beginning farmer or rancher, and borrower training determinations for direct and guaranteed loans traditionally have been made by COC's.

B

Purpose

This notice:

- modifies the eligibility process for guaranteed loans
- allows COC's to delegate responsibility for making borrower training determinations until FmHA Instruction 1980-B is amended.

C

Contact

State Offices shall direct questions about this notice to LMD.

Disposal Date

December 1, 1998

Distribution

State Offices; State Offices relay to County Offices

Notice FC-158

2 Effects of Changes

A

Eligibility Decisions

This notice eliminates the requirement for COC's to make decisions on guaranteed loan requests concerning:

- loan eligibility
- beginning farmer or rancher status.

That authority and responsibility is delegated to Agency credit officials with loan approval authority.

B

Borrower Training Decisions

7 CFR 1980.191 (b) requires determinations of applicant's need for enhanced training in production and financial management concepts to be made by COC. This notice gives COC the authority to delegate borrower training determinations to any credit official with loan approval authority. All delegations must be documented in the minutes and signed by at least a quorum of committee members.

SED's shall encourage COC's to delegate this authority to minimize the processing time for guaranteed loans.

C

County Office Action

FmHA 440-2 shall be completed and signed on the reverse by the credit official authorized to approve the guarantee.
