

For: State and County Offices

Administrative Offsets on FLP Delinquent Borrowers

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

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Background

Changes affected by the Debt Collection Amendment Act of 1996 provided new authorities and renewed emphasis in governmental collection of delinquent debt. Recent determinations from OGC and NAD reveal the importance of providing delinquent FLP borrowers with clear and informative notice of FSA intent to collect delinquent payments through the administrative offset authorities. It is important to communicate to delinquent borrowers receiving RD Form Letter 1951-C-2 how FSA's ability to collect would be prejudiced in their individual case if offset procedures were delayed.

B

Purpose

This notice:

- provides information on who is to receive RD Form Letter 1951-C-1 and RD Form Letter 1951-C-2 for implementing the Administrative Offset under RD Instruction 1951-C
- advises authorized FLP officials to re-notify certain delinquent borrowers with RD Form Letter 1951-C-1 of FSA's intent to use administrative offset procedures
- advises field offices that guidance for preparation of RD Form Letter 1951-C-2 for use in future cases will be provided in a future FC Notice.

<p>Disposal Date</p> <p>June 1, 1999</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice FC-200

2 Notifying Delinquent Borrowers of Intent to Collect by Administrative Offset

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Field Office Action

Field office staff:

- shall immediately notify FLP delinquent borrowers, delinquent leasees, charge off debtors, and judgment borrowers (if concurrence is obtained from the Department of Justice) who have not already been officially notified of FSA's intent to administratively offset any future payment from participation in any Federal program or contract. For further guidance, reference RD Instruction 1951.102 through 1951.104 and applicable FI notices.
- shall immediately notify delinquent borrowers who were notified with RD Form Letter 1951-C-2 before receipt of this notice, by sending RD Form Letter 1951-C-1.

Note: RD Form Letters 1951-C-2 previously sent are **not** to be withdrawn.

3 Obsolete Material

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Obsolete Notice

Notice FC-199 is obsolete.
