

For: State and County Offices

Suspension of Debt Collection Action for Debts in Federally-Designated Disaster Areas

Approved by: Deputy Administrator, Management



1 Overview

A Announcement

As a result of the Hurricane Katrina disaster, FSA/CCC will temporarily suspend certain collection actions for FSA and CCC debts in the affected Federally-designated disaster areas. The suspended collection actions apply to debts in the following disaster areas in subparagraph D designated by the Federal Emergency Management Agency (FEMA) and the Secretary of Agriculture.

B Purpose

This notice announces the suspension of debt collection for debts in Federally-designated disaster areas.

C Contact

For questions about this notice, contact Ed Douglas at 703-305-1212.

D Designated Disaster Areas

The following are **FEMA-designated disaster areas**.

Counties in Alabama

- Baldwin • Greene • Hale • Mobile • Pickens • Tuscaloosa
- Washington

Disposal Date	Distribution
February 1, 2006 9-20-05	State Offices; State Offices relay to County Offices

Notice FI-2711

1 Overview (Continued)

D Designated Disaster Areas (Continued)

Counties in Mississippi

- Adams
- Amite
- Attala
- Claiborne
- Choctaw
- Clarke
- Copiah
- Covington
- Forrest
- Franklin
- George
- Greene
- Hancock
- Harrison
- Hinds
- Jackson
- Jasper
- Jefferson
- Jefferson Davis
- Jones
- Kemper
- Lamar
- Lauderdale
- Lawrence
- Leake
- Lincoln
- Lowndes
- Madison
- Marion
- Neshoba
- Newton
- Noxubee
- Oktibbeha
- Pearl River
- Perry
- Pike
- Rankin
- Scott
- Simpson
- Smith
- Stone
- Walthall
- Warren
- Wayne
- Wilkinson
- Winston
- Yazoo

Parishes in Louisiana

- Acadia
- Ascension
- Assumption
- Calcasieu
- Cameron
- East Baton Rouge
- East Feliciana
- Iberia
- Iberville
- Jefferson
- Jefferson Davis
- Lafayette
- Lafourche
- Livingston
- Orleans
- Pointe Coupee
- Plaquemines,
- St. Bernard
- St. Charles
- St. Helena
- St. James
- St. John
- St. Mary
- St. Martin
- St. Tammany
- Tangipahoa
- Terrebonne
- Vermilion
- Washington
- West Baton Rouge
- West Feliciana

The following are additional agricultural **disaster areas designated by the Secretary of Agriculture.**

Counties in Mississippi

- Benton
- Bolivar
- Calhoun
- Carroll
- Chickasaw
- Clay
- Coahoma
- De Soto
- Grenada
- Holmes
- Humphreys
- Issaquena
- Itawamba
- Lafayette
- Leflore
- Marshall
- Monroe
- Montgomery
- Panola
- Pontotoc
- Prentiss
- Quitman
- Sharkey
- Sunflower
- Tallahatchie
- Tate
- Tunica
- Union
- Washington
- Webster
- Yalobusha

Note: If any additional areas are designated as disaster areas, a subsequent notice will be issued.

Notice FI-2711

1 Overview (Continued)

E Suspended Collection Actions

The collection actions that will be temporarily suspended include the following:

- internal and centralized administrative offset
- Treasury Offset Program (TOP) referrals
- Treasury cross-servicing referrals
- debtor contact for debt collection purposes.

F Effective Date

The temporary suspension action is effective from the date of this notice and will continue for 120 calendar days.

2 Action

A County Office Action

For debts in the designated disaster areas, the County Office shall temporarily suspend the following:

- sending initial notification and demand letters

Note: Additional instructions will be forthcoming about the new receivables established during the suspension period.

- contacting the debtor for debt collection purposes
- taking internal offsets.

Notice FI-2711

2 Action (Continued)

A County Office Action (Continued)

County Offices shall override a claim offset according to the following.

IF the payment is initiated through...	THEN...
System 36/AS400	do not enter an “Amount due FSA/CCC Claim” on Screen ABK10001. The message, “Are there additional payments to be entered?”, will be displayed. ENTER “N” and PRESS “Enter”.
the National Payment Service	when the payment is displayed on the Service Center Representative’s Worklist, click “Claim”. The Claim Processing Screen will be displayed. On the Claim Processing Screen: <ul style="list-style-type: none">• override the “Amount Available to Apply” field to zero• click the “Override Reason” drop-down box to display the override reasons• click reason “Disaster/Debt Offset Deferred”• click “Save”.

Note: Automatic offset of DCP and DCCP overpayments are **not** temporarily suspended. DCP and DCCP overpayments are a reduction to the payment rather than an offset; therefore, DCP and DCCP payments will continue to be automatically reduced for receivables with a basis of debt code “10-325”.

County Offices shall:

- immediately notify affected producers of the terms of this notice
- make customers aware that although debt collection actions are temporarily suspended, **interest accrual will continue during the suspension period.**

Voluntary payments of debts will be accepted during the suspension period.

B KCFO Action

For debts in the designated disaster areas, KCFO shall temporarily:

- recall debts from TOP
- suspend TOP referrals
- suspend cross-servicing referrals
- suspend other debt collection action including credit bureau reporting.