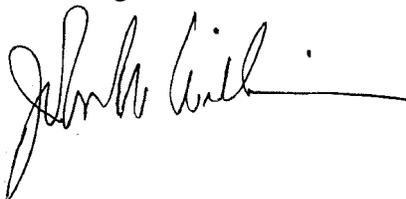


For: State and County Offices, and KCFO

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

Approved by: Deputy Administrator, Management



1 Overview

A Background

Notice FI-2711 announced the temporary suspension of debt collection actions for FSA and CCC debts in Federally-designated disaster areas affected by Hurricane Katrina. The temporary suspension action was effective for 120 calendar days.

B Purpose

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

C Contact

If there are questions about this notice, contact either of the following FMD employees:

- Ed Douglas at 703-305-1212
- Barbara Nowell at 703-305-1433.

D Designated Disaster Areas

See Notice FI-2711 for the affected designated disaster areas.

E Effective Date

The termination of the suspension action is effective January 20, 2006. After this date, debt collection actions for the affected debts will be reinstated.

Disposal Date	Distribution
March 1, 2006	All FSA Offices; State Offices relay to County Offices

Notice FI-2736

2 Action

A Debt Collection Actions To Be Reinstated

The collection actions that will be reinstated include the following:

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

B County Office Action

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

- sending initial notification and demand letters
- contacting the debtor for debt collection purposes
- taking internal offsets through the normal process.

County Offices shall also:

- notify affected producers about the terms of this notice
- remind customers that although debt collection actions were temporarily suspended, interest accrual continued during the suspension period.

C KCFO Action

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

- TOP referrals
- cross-servicing referrals
- other debt collection action including credit bureau reporting.