UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

For: State and County Offices

Notice FLP-119

1951-C, 1951-S, 1956-B, 1962-A

Collection and Resolution of Delinquent Youth Loans

Approved by: Deputy Administrator, Farm Loan Programs

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1 Collection and Resolution Activities

A Background

The Consolidated Farm and Rural Development Act (CONACT), Section 311(b)(2) states that youths who sign a promissory note for a youth loan incur full personal liability without regard to their minority status. Sections 3711 (g)(1)(A) and 3716(c)(6) of 31 U.S.C. require all executive agencies to refer debt which is 180 days delinquent to the Department of Treasury for collection and administrative offset.

B Purpose

This notice provides direction about the collection and resolution of delinquent youth loans.

C Contact

Direct questions about this notice to the State Farm Loan Chief.

D Delinquency Servicing

Youth loan borrowers are personally liable for their debts. Therefore, servicing, collection, and resolution activities for delinquent youth loans are the same as for other types of direct FLP operating loans, including:

- primary loan servicing programs
- administrative and Treasury offset programs
- debt settlement or referral to Treasury for cross-servicing.

Exception: CONACT, Section 311(b)(4) states that youth enterprises shall not be considered farming or ranching enterprises. Therefore, youth loans may not be considered for limited resource interest rates.

Disposal Date	Distribution
July 1, 2001	State Offices; State Offices relay to County Offices